Daily Report

Central Eurasia

FBIS-SOV-95-037
Friday
24 February 1995

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ITAR-TASS Reports on Strategic Stability Group Talks

LD2402102595 Moscow ITAR-TASS in English 1003 GMT 24 Feb 95

[By ITAR-TASS correspondent Arkadiy Sidoruk]

[FBIS Transcribed Text] Washington February 24 TASS—A two-day round of talks within the framework of the Russia-American Group for Strategic Stability came to an end in Washington on Thursday. Russia was represented by Deputy Foreign Minister Georgiy Mamedov, the United States by First Deputy Secretary of State Strobe Talbott and other representatives of the State Department and the U.S. Administration.

Informed sources told ITAR-TASS that Mamedov also discussed President Bill Clinton's forthcoming visit to Moscow but was told that the White House had yet to make a final decision on the trip, the sources told ITAR-TASS.

The agenda of the talks in Washington covered a wide range of questions, including the activity of the organisations [as received] for security and cooperation in Europe, the eastward expansion of the North-Atlantic alliance, Russia's relations with NATO, the ban on chemical and biological weapons, and aspects of disarmament and arms control, including those relating to start and nuclear non-proliferation treaties and the agreement on restrictions of anti-missile defence systems and shorter-range missiles.

The talks also covered Russia's contract for the delivery of Russian nuclear reactors to Iran, the Chechen and Bosnian crises and peacemaking efforts.

OSCE To Ensure Observance of Russo-Latvian Military Pacts

LD2302151095 Moscow ITAR-TASS in English 1431 GMT 23 Feb 95

[By ITAR-TASS correspondent Aleksandr Kuzmin]

[FBIS Transcribed Text] Vienna February 23 TASS—Negotiations to develop OSCE mechanisms to monitor the observance of Russo-Latvian military agreements were concluded in Vienna on Thursday in the framework of the permanent council of the Organisation for Security and Cooperation in Europe (OSCE). In accordance with these documents, the agreements on the legal status of the radar in Skrunda and on social protection for retired military and their dependents residing in Latvia will receive an additional military-legal status.

This is an unprecedented decision of OSCE which will act as the guarantor of the observance of these important agreements, Sergey Zotov, official representative of the Russian president and the head of the Russian delegation to the talks with Latvia, told ITAR-TASS.

Zotov expressed the confidence that inspections at the radar in Skrunda envisaged by the OSCE mandate will show that Russia has no intention of using that strategic facility as a military base and will confirm that Russia is a reliable and predictable partner who firmly adheres to the obligations under these arrangements. The other important mandate of OSCE ensures international verification of the Latvian side's honouring rights of retired military and their dependents, registered in the Russo-Latvian agreement, including the right to continue living in Latvia for those who had permanent residence in Latvia by January 28, 1992.

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Gen Semenov: CIS Army Will 'Eventually' Be Set Up

LD2302175895 Moscow INTERFAX in English 1712 GMT 23 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 23 (Interfax)—Colonel General Vladimir Semenov, the commander of CIS land forces, believes that joint CIS or Eurasian Union armed forces will eventually be set up. He told Interfax that a Commonwealth defense area as well as a Commonwealth economic area was a vital need.

Semenov said that the arms, hardware, military training and organizational structures in the CIS member states followed in the footsteps of Russia. He argued that the Commonwealth member states had to have the same strategy, tactics and defense doctrine.

Semenov admitted that the CIS member states varied in the degree of preparedness for military integration. In his view, Belarus and Kazakhstan, as well as Russia, were at the most advanced stage of preparedness. He expected military cooperation to develop chiefly through bilateral agreements in a near future.

Semenov said that CIS joint peace keeping forces would significantly contribute to military integration. He complained that Russia was essentially a lonely figure in carrying out peace missions in various parts of the former USSR such as Transdniester, Abkhazia, Transcaucasia and Tajikistan.

Semenov doubted that a joint CIS air defense system would be set up any time soon. He explained that while elements of the old system were intact in Kazakhstan and Uzbekistan, everything was in shambles in Transcaucasia where the 19th Air Defense Army used to be stationed. Tremendous expenses would be needed to restore the system, he explained.

Semenov said that only territorial air defense systems could be set up with the use of mobile air defense units and land units but the setting up of a national air defense system including a radioelectronic early warning system would be an uphill struggle.

ITAR-TASS Carries Press Review for 24 Feb

LD2402063195 Moscow ITAR-TASS in English 0613 GMT 24 Feb 95

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow February 24 TASS—IZVESTIYA on the Russian Economics Ministry suggestion that customs duties on imported food be raised by five percent.

In a frontpage report, the newspaper gives the opinion of Deputy Minister of Economics Sergey Ignatyev, who believes that national agriculture is discriminated against as compared with foreign agrarians. Russian farmers pay a ten per cent value added tax (V.A.T.) while foreign suppliers are exempt from paying it.

In order to "restore justice", the Ministry of Economics suggests raising customs duty on imported foodstuffs by five per cent on average in addition to a ten per cent V.A.T.

This would inevitably lead to a rise in consumer market prices, particularly where imported food accounts for a considerable part of imports, i.e. in large cities. Such a price rise would inevitably lead to an increase in the prices of domestically produced food, which would mean people's spending dozens of thousands of roubles on food additionally.

TRUD carries an interview with Economics Minister Yevgeniy Yasin.

It is a matter of common knowledge that the growth of prices depends on many factors, primarily the stability of production. The minister said a relative normalisation of production began way back in April last year. The scope of production in January this year accounted for 96 per cent of that in the corresponding period of 1994. The production stabilisation process can be revitalised by non-budget appropriations.

In summer last year there were a good deal of offers to invest funds in production. However, later on, in autumn, the eagerness waned in view of mounting inflation.

Yasin believes that, as inflation rate goes down, investments in the production sphere will begin to grow. The Ministry of Economics expects that inflation may slow down by the middle of this year.

RABOCHAYA TRIBUNA raises the issue of the indexation of the population's incomes.

Rising prices inevitably bring about the problem of the indexation on the population's incomes. This particularly appplies to pensions, student grants, allowances, and other social benefits.

"The income indexation issue concerns the possibility of reforming the economy without additional sacrifices on the part of the population," the newspaper writes.

"The government categorically rules out such a possibility. For the fourth year. Income indexations have been only partial. The govenrment ignores the danger of underindexation, since reduction in expenditure on indexation brings about contraction in demand from the bulk of the population and, consequently, a decline in production".

PRAVDA raises the question of "how can the 'new poor' survive?"

The matter concerns the need to raise minimum wage up to 54,100 roubles. The newspaper gives estimates, from which it follows that since the minimum wage of 20,100 roubles was introduced on July 1, 1994, the consumer price index, according to statistics, has grown 2.13 times over.

If inflation slows down this month if only to 16 per cent, the price index increase will be 2.47 times. Consequently, the real minimum wage in February would be 8,300 roubles.

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Commentary on Kokoshin, Mamedov Visits to U.S.

MM2402115295 Moscow IZVESTIYA in Russian 24 Feb 95 p 3

[Article by Vladimir Nadein: "Beating Us With Someone Else's Weapons. U.S. Military-Industrial Complex Instructed To Trade With Eastern Europe and Baltic"]

[FBIS Translated Text] Washington—Andrey Kokoshin, a civilian but nonetheless the number two official at the Russian Defense Ministry, did not stay long in the U.S. capital and was steadfast in his conduct. Steadfast in the sense that he did not let slip even a word to journalists about why he had come, what he wanted, and what he had obtained.

In Washington rumors are worth almost as much as real hard news. It did not matter that Kokoshin maintained a stony silence. That stone was immediately smashed to form the gravel that was used to lay a road to the following rumor.

Kokoshin, like Deputy Foreign Minister Georgiy Mamedov, who came after him, had the job of explaining that the Russian leadership itself was shocked at the outcome of the Chechen affair, but that is already in the past now. The leadership has sorted itself out now and knows how to make jam from crushed berries. In particular, Yeltsin intends using the weakness of the generals' position to finally get a civilian installed at the head of the Defense Ministry. The military reform is getting its second wind and cooperation with NATO—whether in the Partnership for Peace program or within the framework of the new European structures—can be achieved naturally without destroying the existing structures first.

But this kind of discussion with the United States was possible only before Chechnya. Now the U.S. Administration and Congress are playing the kind of duet with Russia that even Yeltsin with all his knowledge of music has not heard before.

First of all Congress threatened to cut aid to Russia, including aid for the construction of housing for servicemen withdrawn from the Baltic countries. The fact that President Clinton had given his word of honor—you withdraw the troops from the Baltic and I will give you money for housing—could be quietly forgotten as a minor detail in his biography. In legalese the congressional decision is called a "law" and the law in the United States is binding on all.

Americans understand the thinking of a Congress which cuts aid. If Russia can destroy a city without thinking twice, then perhaps it can manage to build a couple of dozen houses without U.S. taxpayers' money too? "I will work tirelessly with Congress to keep those plans in check," Defense Secretary Perry told journalists, briefly summarizing his meeting with Kokoshin.

The Defense Secretary did not mention that the United States insisted very persistently, in tones not lacking in stridency, that Russia join in Partnership for Peace as soon as possible. But commentators cited unnamed "high-ranking officials" in this regard and the picture of all-out pressure on Yeltsin's government, worn out by its own shortsightedness, became quite clear.

Kokoshin flew home just before the long weekend: The normal two days off were followed by President's Day, George Washington's birthday. Probably administration officials did not want to spoil their holiday. In any event it was not Andrey Kokoshin but Georgiy Mamedov coming after him who had the honor of receiving a personal message from the U.S. President addressed to Yeltsin.

The terms in which the message was couched, of course, are a secret but the gist of it is not particularly difficult to discern. In the message Clinton lists the reasons why in his opinion Russia should join NATO's Partnership for Peace program. The result, the U.S. President asserts, could be the kind of "special relationship" with the North Atlantic alliance that Yeltsin has insisted on.

But presidents usually take the tastiest pieces of the diplomatic pie themselves. It is the experts who get the bits that are hardest to chew. Strobe Talbott, who is leading the talks with Georgiy Mamedov, has been presenting his interlocutor with a wealth of claims, demands, and urgent recommendations: Moscow must cease its nuclear contacts—albeit at the level of power stations—with Iran and must not sell reactors to North Korea; Washington is irritated, not to say angry at Kozyrev's latest visit to Yugoslavia, during which he put the five powers' plan to one side and did not try to force or even persuade the Serbs to recognize Croatia and Bosnia; and finally Russia should drop its objections to the expansion of NATO by including the former members of the Warsaw Pact.

All these things, however, are camouflage and cover for the real attack, which these days is being launched from an entirely different direction. On the first workday after the long weekend President Clinton signed a directive allowing U.S. firms to sell weapons to 10 countries of the former socialist camp, including Lithuania, Latvia, and Estonia.

The anti-NATO line of Yeltsin and Kozyrev has smoothly and naturally led to the creation of more and more jobs at the arms enterprises of California, Connecticut, Missouri, and North Carolina and to the loss of jobs in Yekaterinburg, Samara, and Izhevsk....

The directive makes no direct link between the purchases of American jet planes, tanks, and other offensive hardware and membership of NATO. But the weapons on offer,even if not the very latest design, are nevertheless compatible with NATO's hardware, and compatibility is the first condition of membership.

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Clinton Absence Would Not Diminish Victory Celebration

MM2302151195 Moscow IZVESTIYA in Russian 23 Feb 95 p 3

[Report by Stanislav Kondrashov: "Yeltsin, Clinton, and the 50th Anniversary of Victory"]

[FBIS Translated Excerpt] [Passage omitted] The year of the 50th anniversary of victory has arrived, and at the beginning of it certain politicians—out of thoughtlessness, I would like to think—have set a tone which diminishes the solemn and sad leitmotiv of the festival. They are conjecturing as to whether U.S. President Bill Clinton will come to Moscow for 9 May and will respond to Boris Yeltsin's invitation to participate in the celebration. Because of the war in Chechnya he is deliberately delaying his reply and maintaining a pause. Congressmen are insisting that he not come.

Will he come, or will he not? Our—what shall I call it?—beau monde regards as the most important sensation, on the scale of an earthquake, the question of whether this American, who has never fought and was even born after the war, will honor with his presence the 50th anniversary of the most popular of our festivals, for whose sake almost 30 million of our fathers and mothers, grandfathers and grandmothers, brothers and sisters laid down their lives.

The more this business is inflated, the more ambiguous it becomes. Two and one-half months before 9 May it is probably time, if not from an official viewpoint, then from a public one, to make it clear that, whether or not he honors us and whether or not he comes, our victory will not be diminished by it.

This is not an insult to the U.S. President, who is pondering whether or not to come, but elementary respect for the memory and the exploit of our own people and a sign of their dignity.

The Russian initiators seem to have lost their way in broad daylight in a complex configuration: the 50th anniversary of victory, the Russian-U.S. summit, which is to be in the first half of this year, and the Chechen war, which has come at the wrong time and does not yet show any inclination to clear the way for festive celebrations.

They have lost their way and are reluctant to admit that these two very different events—another summit and the 50th anniversary—should not have been lumped together. But they decided to deliver the U.S. President from an unnecessary end and from a second trip to Moscow. The flattering imagination of those who are anxious to please the Kremlin evidently painted very skillfully a very alluring picture for the right people: Two supreme commanders in chief who did not fight take the victory jubilee parade.

Chechnya muddled up the cards. One of the supreme commanders suddenly got involved in combat operations but had not yet secured his own victory in the war on Russian territory. The other supreme commander—friend Bill, disconcerted by the sight of ruins and corpses in Groznyy—fought shy of appearing on the parade rostrum with friend Boris, also fearing indignant rejection by the U.S. Congress and public.

They wanted to do the best thing, but it turned out as always: neither one thing nor the other.

They wanted, apart from anything else, to take revenge for last year's embarrassment but merely doubled and exacerbated it. Last June, you will recall, the USSR's former military allies "forgot" to invite the Russian president to another 50th anniversary celebration—that of the U.S. and British landings in Normandy and the opening of the long-awaited "second front" against Hitlerite Germany. They did not forget to invite the Czech president, for example, but they did forget ours, as though Czechoslovakia's contribution was weightier than the Soviet one.

Then Moscow swallowed the pill, and now, having forgotten the way it was forgotten, it has invited the U.S. President as the No. 1 guest, not having discerned the prospect for new embarrassment.

What remains to be done? To refrain from comment, which is what the President intends to do, according to his press secretary, who has not yet left for the Vatican. [Passage omitted]

We now have to really get to the bottom of Chechnya, not for the sake of applause from the West, although this would not be superfluous, but for the sake of our own future—so that Groznyy does not become a terrible augury for other Russian cities and villages. As regards the victory, it is not so important whether Yeltsin is with or without Clinton 9 May. The people will be left with a different sadness and a different celebration: "The fighters are sleeping. They have had their say and are right forever...."

MFA Spokesman on Mideast, Reactor Sales, US Aid

LD2302171195 Moscow INTERFAX in English 1629 GMT 23 Feb 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MOSCOW, Feb 23 (Interfax)—Moscow is alarmed by the new military outburst in Southern Lebanon where exchanges of blows have intensified between the Israeli army and Muslim resistance, a spokesman for the Russian Foreign Ministry Mikhail Demurin told a Thursday briefing in Moscow.

According to him, pressure and the escalation of tension cannot be an acceptable alternative for those who have made their strategic choice of peace and joined the Mideastern peace process.

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As co-chairman of the process Russia wants all the sides to demonstrate restraint and declare intentions to continue persistent efforts in the interests of advancement to a comprehensive and fair settlement in the Middle East, the diplomat stressed.

...RECONFIRMS THAT THE ISSUE ON RUSSIA'S PARTICIPATION IN KEDO HAS NOT BEEN SOLVED YET...

The issue on Russia's participation in the international consortium, the Korean Energy Development Organization (KEDO), has not been solved yet, Demurin declared.

KEDO's aim is to transfer North Korea's atomic power engineering to light water reactors.

According to Demurin, while solving the issue on its participation Moscow intends to take into consideration three factors. "The matter concerns the role which Russia will play in KEDO, whether the consortium's goals correspond to the Non- Proliferation Treaty, and whether Russia's national atomic industry will have any good from Russia's participation in KEDO," he noted.

...AND WARNS THAT IT IS INADMISSIBLE TO USE AMERICAN AID TO RUSSIA AS A FACTOR OF PRESSURE ON MOSCOW

Demurin described America's critics of nuclear cooperation between Moscow and Tehran as "absolutely groundless."

He underlined that the atomic reactors which Russia will deliver to Iran "cannot be used for military purposes."

Demurin reminded that Iran "fulfills its obligations in the face of IAEA and this organization has no claims to Tehran."

Demurin drew attention to the fact that "several politicians in the United States demand to cut down consultative and technical assistance to Russia if it does not stop cooperation in the nuclear sphere with Iran."

"Such threats cannot but influence Russian-American relations," Demurin underlined. In addition, in his words, "scales of the US assistance to the Russian Federation are not so great that US politicians could use this as a factor of pressure on Moscow."

More on MFA Comments on Iran Reactor Sale

LD2302194295 Moscow ITAR-TASS in English 1914 GMT 23 Feb 95

[By ITAR-TASS diplomatic correspondent Andrey Serov]

[FBIS Transcribed Text] Moscow February 23 TASS— Moscow considers criticisms expressed by the United States in respect of Russian-Iranian cooperation in nuclear field to be "unfounded" and "counterproductive".

Washington's threats to reduce the scope of aid to Russia, unless it ceases from supporting Iran in fulfilment of its nuclear programme, cannot but affect general atmosphere of Russian-American relations, Mikhail Demurin, spokesman for the Russian Foreign Ministry, told a briefing on Thursday.

According to Demurin, nuclear reactor of Russian make, which is to be delivered to Iran, is harmless in terms of Iran's imminent obtaining of nuclear arms.

International Atomic Energy Agency (IAEA) exercises control over all Iranian activities in nuclear field, because Iran acceded to the Treaty of Non-Proliferation of Nuclear Arms. Iran fulfils its relevant obligations in full, and IAEA has no claims to put in against the country, Demurin said.

Washington's criticisms in regard of Russian-Iranian cooperation in the field of peaceful uses of nuclear energy seems counterproductive in the light of upcoming conference on prolongation of the Treaty on Non-Proliferation of Nuclear Arms, he continued.

The nuclear powers of the world want participants in the conference to prolong the treaty interminably and unconditionally.

"We believe that our cooperation with other countries in the field of peaceful uses of nuclear energy is exactly a tangible contribution made towards success of the conference," Demurin said. If somebody uses "double standards" and tries to deprive certain countries of their right to develop international cooperation in the field of nuclear engineering, then "such actions will not in any way bring success to the conference," he emphasized.

Touching upon proposals of certain American politicians to reduce aid to Russia in view of its cooperation with Iran, Demurin recalled "threats were made in our address in the old, (much) worse times, too".

Russian public views such threats "in a certain fashion", and Russian Government can but take into account this point of view, he said. As to the scope of consultative and technical support on the part of the USA, it is "not so substantial" when compared to total volume of foreign support toward Russian reforms "to affect the course of reforms", Demurin pointed out.

U.S. Navy Seen Trying To Gain Access to Odessa

MM2302165795 Moscow KRASNAYA ZVEZDA in Russian 23 Feb 95 p 3

[Report by Captain First Class Vladimir Pasyakin: "U.S. Navy Has Begun the 'Conquest' of the Black Sea"]

[FBIS Translated Text] According to the cooperation program between the U.S. and Ukrainian military departments the U.S. Navy's amphibious warfare ship Ponce is paying a routine port call to Odessa. The representatives of the U.S. Navy will discuss with the Ukrainian Navy command the plan for a forthcoming

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joint training exercise in which the two countries' marines will take part. It is believed that 28 officers and 360 enlisted men will take part on the U.S. side.

The U.S. Navy and NATO have previously paid a number of visits to ports in Romania and Bulgaria. The ultimate goal is that in the near future U.S. ships will be given permanent registration [postoyannaya pripiska] in Constanta. The Americans are now working hard to gain access to Odessa.

In the recent past an intelligence ship of the U.S. 6th Fleet was engaged in its normal activity quite officially and in accordance with the Treaty on Scientific Research and National Economic Activity in the Azov-Black Sea Region. A considerable step forward has now been taken from the era of intelligence gathering. It seems that the U.S. Navy is working very intensively to open up a hitherto little studied region—the Black Sea basin. In its own interests, of course.

Ministry Criticized for Helms Cuba Bill Statements

MK2402113095 Moscow SEGODNYA in Russian 24 Feb 95 p 3

[Report by Leonid Velekhov under the "Metamorphoses" rubric: "'High-Ranking Foreign Ministry Official' Vs. Jesse Helms. Moscow Changes Its Stance on Cuban Issue Yet Another Time"]

[FBIS Translated Excerpt] No sooner had I suggested in the 18 February issue that the bill sponsored by Senator Helms on tightening the anti-Cuban embargo would provoke a sharp reaction from Moscow than the Foreign Ministry unleashed one. On 21 February, INTERFAX carried lengthy statements by a high-ranking diplomat from the Russian Foreign Ministry. [passage omitted]

With the certain self-assurance of one who guards the absolute truth, the "high-ranking diplomat" passes the final verdict on the Helms bill:

"...The new bill is aimed at the past, not the future; this is diplomatic escapism of sorts, which runs counter to world trends that were vividly demonstrated by the vote on a resolution urging an end to the embargo at the 49th session of the UN General Assembly.

As for whether or not this may be called "escapism," let us talk about it when the bill is passed by the U.S. Congress and goes into force. I am afraid that by then it will not look like "escapism" (that is, a flight from reality—what does this philosophic and esthetic term actually have to do with the matter?). Regarding the UN vote on lifting the anti-Cuban embargo, Russian diplomacy had better not recall it at all. As far as I remember, the Russian representative somehow managed to abstain from voting on this matter at the 48th session; giving reasons for his stance, he said that an embargo is a matter of bilateral American-Cuban relations, so let the United States and Cuba resolve it between themselves.

Now that the internal political situation in Russia has changed toward more bitterness, self-isolation, and, hence, anti-Americanism, the embargo alongside the Helms bill is amounting to "extra-territorial" interference in third countries' affairs that "is at odds with international trade rules," and so forth.

At the same time, as is our wont, the change of stances is not accompanied by at least the minimum logic. Why are the new anti- Cuban sanctions "extra-territorial" and what are the rules they are "at odds with?" It is up to the United States to decide with whom it should trade and to whom it should provide assistance, so the United States, as any other country, is entitled to link this trade or assistance to certain conditions it may request. The issue is not a military blockade of Cuba or any other form of violence against Cuba or third countries: solely bilateral economic relations with them.

It is precisely this fickleness—not to say "unscrupulousness"—of Russian foreign policy, lacking any logical or legal justification, that prevents one from taking seriously the invectives of the "high-ranking diplomat" who promptly commented on the Helms bill. Apparently for this very reason the U.S. Congress is unlikely to heed the Russian stance, either, when it gets down to voting on the bill.

Moscow Declares for Indefinite Extension of NPT

LD2302220595 Moscow ITAR-TASS in English 2141 GMT 23 Feb 95

[By ITAR-TASS correspondent Konstantin Pribytkov]

[FBIS Transcribed Text] Geneva February 23 TASS—Russia "has made its choice and (now) it declares resolutely for an interminable and unconditional prolongation" of the Treaty on Non-Proliferation of Nuclear Arms [NPT] to be approved at the New York conference of parties to this treaty, which is scheduled for this April-May, Grigoriy Berdennikov, Russia's permanent representative at the UN Conference on Disarmament, announced here on Thursday.

Calling on all the countries to "take the same stand", Berdennikov emphasized that such move would serve "as a guarantee of irreversibility of the process of nuclear disarmament rather than a mandate for nuclear powers' interminable possession of nuclear arms".

Now that the USA, on the one hand, and the former Soviet Union and Russia, on the other, reached several agreements on restricting and reducing their strategic arms arsenals, nuclear arms race "in point of fact, came to a halt and even was reversed", he emphasized.

In keeping with START-1 and its unilateral initiatives, announced in October, 1991, and in January, 1992, Russia eliminated more than 1,500 Intercontinental Ballistic Missiles (ICBM) and Submarine-based ballistic

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missiles; discharged 15 nuclear submarines equipped with ballistic-missile launchers from active service in its naval forces.

Moreover, all heavy bombers carrying nuclear bombs were taken away from active duty; some of them were eliminated.

In keeping with a relevant treaty, Russia did away with medium- and short-range missiles.

All tactical arms, which were stationed beyond Russia's frontiers, were taken back to its territory to be destroyed - such operations are under way now. All tactical arms deployed on warships, submarines and naval aircrafts were dismantled.

Russia stopped producing nuclear ammunition for ground-based tactical missiles, nuclear artillery projectiles and mines.

"We are resolved to go ahead together with other nuclear powers in reducing the role of nuclear arms, striving for its total elimination throughout the world," Berdennikov said in conclusion.

NATO Seeks 'Special Agreement' With Russia

MM2302154995 Moscow KRASNAYA ZVEZDA in Russian 22 Feb 95 p 3

[Article by Manki Ponomarev: "NATO Seeking Way Out"]

[FBIS Translated Text] The problem of NATO's eastward expansion continues to be one of the most acute problems in relations between Russia and the Western countries. Relatively influential forces would not be averse to seeing our country taking a back seat in Europe and preventing it from playing a full part in the shaping of a new model for ensuring the continent's security.

But of late some healthy arguments have begun to be voiced in the West on this score. This, for instance, is what NATO Secretary General Willy Claes wrote in London's FINANCIAL TIMES: "We must recognize Russia's weight in European security and its legitimate interests. We need relations of cooperation with Russia, which is going down the path of democratization, economic reform, and respect for human rights. We need open relations which will be able to withstand temporary contradictions."

Following some hesitation relating to events in Chechnya, the NATO capitals have again started recognizing the need to conclude a special agreement with Moscow that gives it special status in the NATO alliance. The possibility of concluding such an agreement—which would make relations between Russia and NATO weightier than simple "partnership for peace"—has already been voiced by French Foreign Minister Alain Juppe and by the U.S. and British defense secretaries. This idea was set out most specifically by Belgian Prime Minister Jean-Luc Dehaene, who proposed that a mechanism be elaborated for involving Moscow in consultations within the NATO framework on political and military issues.

Our country too is showing a readiness to return to the relationship with NATO that existed prior to last December. But the stumbling block here continues to be the simplistic approach and haste shown by the Atlanticists in resolving the question of expanding the alliance. That is why observers' attention could not fail to be drawn by a generally routine event—the latest NATO Council session at permanent representative level—since it was devoted to a discussion of White House incumbent Bill Clinton's letter on the question of NATO's eastward expansion (a letter which he intends to send to Russian Federation President Boris Yeltsin). Sources are not giving any details of the content of the message. But the very fact that the leader of the Washington Administration considered it necessary to appeal to the Russian leader on this subject—and after having consulted with the allies—is quite significant. The problem needs to be resolved.

Chernomyrdin Paris Agenda Outlined

LD2302151495 Moscow ITAR-TASS in English 1434 GMT 23 Feb 95

[By ITAR-TASS correspondent Mikhail Kalmykov]

[FBIS Transcribed Text] Paris February 23 TASS—Russian Prime Minister Viktor Chernomyrdin will come to Paris on March 3 after completing his programme in London, French Foreign Ministry representative Richard Duque told TASS on Thursday [23 February]. The visit is within the frames of regular top-level contacts between the countries' leadership, Duque said.

Talks to be held during a two-day official visit will focus on the situation in Chechnya, Russian-French bilateral ties, relations between Russia and the European Union, and a broad range of international policy issues. The programme of the visit is still being elaborated, the Foreign Ministry official said.

Yeltsin To Skip March Copenhagen Summit

LD2402005695 Moscow Radiostantsiya Ekho Moskvy in Russian 0000 GMT 24 Feb 95

[FBIS Translated Text] Boris Yeltsin has declined to take part in the forthcoming international meeting of heads of state and government on social welfare issues [World Summit on Social Welfare] to be held in Copenhagen on 6-12 March.

The Russian Foreign Ministry has informed the Danish Foreign Ministry of the president's decision, saying nothing about the reasons for the decision.

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Three 'Unidentified' Subs Detected Near Russian Coast

LD2302213995 Moscow INTERFAX in English 1946 GMT 23 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 23 (Interfax)—Three foreign submarines have been revealed in the Norwegian and Barents seas near the Russian borders over the last week, Russian Navy Commander-in-Chief Feliks Gromov told a news conference in Moscow today.

"The seas around Russia are not so calm," he concluded.

Gromov said that despite the hard situation in the country and the lack of funds for navy sailors the fleet was maintaining a high level of military capacity. The Russian Navy ships have taken part in 13 joint military exercises involving foreign ships, also in the Persian Gulf, over the last year, he added.

Gromov said that foreign experts had highly appraised Russian sailors.

Gromov said the navy now had to face the problem on reusing about 100 nuclear power submarines and recycling radio active waste.

Lithuanian Delegation Holding Talks With Chernomyrdin

LD2402065895 Moscow ITAR-TASS in English 0646 GMT 24 Feb 95

[By ITAR-TASS correspondent Vladis Burbulis]

[FBIS Transcribed Text] Vilnius February 24 TASS—Lithuania's Prime Minister Adolfas Slezevicius is leading a delegation of ministers, Sejm members and bankers who arrived in Moscow today for talks with Russian Prime Minister Viktor Chernomyrdin.

The one-day talks in Moscow will focus on the establishment of a bilateral commission for coordinating economic relations, the drawing of land borders between the two countries, and prospects for buying Russian energy resources, as well as on the development of inter-bank and customs ties.

On the eve of the visit, Slezevicius called Russian-Lithuanian relations "normal, good-neighborly". He stressed that "Russia is Lithuania's most important trade and economic partner".

Slezevicius pinned great hopes on talks with Viktor Chernomyrdin because "it is easy to talk with him: he used to be a major industrialist, he formulates his thoughts in a clear-cut manner, and he has a phenomenal memory and an extensive stock of knowledge".

Asked about prospects for celebrating victory day in his republic, Slezevicius told ITAR-TASS that Lithuanian authorities would not hamper the organisation of events commemorating the victory over nazism in the Second World War: "We honour the memory of those who fell to liberate Lithuania from Nazi invaders".

Plight of 'Stateless' Estonians' Travel Discussed

MM2302091295 Moscow IZVESTIYA in Russian 21 Feb 95 p 3

[Feature comprising reports by Leonid Levitskiy and Gennadiy Charodeyev: "Russia Shuts Border to Its Former Sons... for Reasons of a Technical Nature"]

[FBIS Translated Text] Tallinn—Russia has introduced a new procedure on the border with Estonia. The border guards are not allowing Russian inhabitants who do not have citizenship into Russia. There are around 400,000 such people in Estonia. The new Estonia has deprived them of citizenship of the former Estonian Soviet Socialist Republic, but for various reasons they are not taking up Russian citizenship.

For almost three years people without citizenship, that is, stateless people, have been visiting Russia freely. A government decree signed by Viktor Chernomyrdin has served as a pass for them. Until 6 February citizens of the former USSR could travel to Russia using their red passports.

Since the New Year, noncitizens have been overwhelmed with unease—would the concessions remain? V. Ostapchuk, counselor at the Russian embassy in Estonia, reassured the stateless people via the press that there was no reason to worry and that Russia was continuing to admit people on the basis of Soviet passports. But just in case, he advised people to wait at home for a few days after 6 February....

The week passed peacefully. The Russian border was closed to stateless people from Estonia 14 February. Russian diplomats in Tallinn and staff at the consulate general in Narva found out about the change of the border regulations from victims themselves and from journalists. According to press attache A. Yakushev, no explanations have come from the Foreign Ministry.

The border guard service has operated in a rather more diplomatic way. Colonel Obanin, chief of an autonomous cross-border post, reported 14 February to his colleagues on the Narva border cordon that the border control regulations were changing on the border with Estonia. Only Russian citizens retained the right to free access to Russia. Citizenship must be confirmed by a stamp in an ordinary or foreign-travel former USSR passport. Inhabitants of Estonia who have not clarified their citizenship could cross the border using a temporary travel document, in which the Russian consulate would insert a visa....

Estonia introduced these one-occasion documents last year for noncitizens, but Russia does not recognize them. The consulates are not prepared for issuing visas on a mass scale. In Narva, for example, those wanting to acquire Russian citizenship are being put on a waiting

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list until the end of October. The consular service in Tallinn is better regulated. But in other places there is not even a consular service. If the changes on the border prompt people to take up Russian citizenship, then the consulates will be snowed under with waiting lines.

Undoubtedly the situation on the Russian-Estonian border will change, and it will unfortunately change by becoming tougher. But what has happened is complete arbitrariness, and it is humiliating the Russian state services first of all. A new cross-border control regime has been introduced without warning being given to people crossing the border. This is great vigilance: They have kept the secret not just from the stateless people themselves, but also from their own embassy. Or is this a vivid demonstration of the arrogance of officials, taking the view that these stateless people are not important, so they can put up with it? Yuriy Mishin, chairman of the Estonian Union of Russian citizens, visited the Russian border guards. He was given reassurances that the new cross-border control regime was being dropped and that the old one would remain in operation for the time being. So it seems that some people amused themselves for a day and then calmed down. [Levitskiy report ends]

[Charodeyev report begins] Diplomats in Moscow have reported to your IZVESTIYA correspondent that "there are no politics involved here." According to our diplomats, what happened was an unfortunate misunderstanding, and everything occurred "for purely technical reasons because of a lack of coordination between Russian official organizations."

From the lengthy, confused explanations from various Russian officials I managed to grasp that the period of validity of one official instruction on the procedure for crossing the Russian border had ended, and a new one had either failed to arrive from Moscow or else had not been signed yet. Evidently without receiving the relevant directives on new cross-border control regulations (or an extension of the old one), the Russian border guards first of all closed the border with Estonia, and then, at the request of the diplomats, reopened it.

"The procedure on the border with Estonia has not changed; the people who have the relevant documents can cross the Russian border unhindered," diplomats are stating. But the situation is such that the border can be closed at any moment to those of our citizens who do not have Estonian citizenship. And until the new instruction is signed, the stateless people will stay on that side of the Russian-Estonian border.

Gromov Concerned Over Ukrainian Navy Actions

LD2202174095 Moscow INTERFAX in English 1346 GMT 22 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 22 (Interfax)—Commander-in-Chief of the Russian Navy Admiral Feliks Gromov expressed concern following a recent incident involving a brigade of river vessels belonging to the Black Sea Fleet (BSF) based in Izmail (Ukraine).

The incident occurred on February 17-18 after a Ukrainian Navy representative, arriving at the base, introduced himself as a new commander and demanded to be shown all of the brigade's installations and property.

When his demand was rejected, Ukrainian Army patrols were put up around the base.

In a cable to Ukrainian Defense Chief Valeriy Shmarov, Gromov said that the arbitrary actions of the Ukrainian military did not help the negotiating process on the future of the BSF. He also expressed surprise that Kiev would appoint its own commanders to individual units of the BSF, under control of the Russian and Ukrainian presidents, at a time when negotiations were still under way.

Ministry Vows To Protect Citizens in Tajikistan

LD2302165095 Moscow ITAR-TASS in English 1602 GMT 23 Feb 95

[By ITAR-TASS diplomatic correspondent Andrey Serov]

[FBIS Transcribed Text] Moscow February 23 TASS—Russia reserves the right to take all necessary measures aimed at protecting its citizens in Tajikistan from acts of sabotage, terrorism and violence, Mikhail Demurin, spokesman for the Russian Foreign Ministry, told a briefing in connection with today's shooting at a bus carrying personnel of a Dushanbe-based hospital of the Russian border-guard troops.

Servicemen of the CIS collective peace-making forces, border- guards and Russian civilians are increasingly often victimized by bandits in Tajikistan, he said.

Seven hospital staffers were wounded in the last terrorist act, which was distinguished for "particular severity and underscorred cynicism", Demurin said.

We receive disturbing news that Tajik anti-governmental opposition rallies its underground forces to victimizing Russia's civil and military representatives in Tajikistan, beginning with Russian ambassador in Dushanbe, he warned.

The opposition leaders do not cease from carrying out these plans in spite of the assurances they made to Russia in the course of recent talks with their envoy in Moscow.

Environmental Official Opposes India Nuclear Deal

LD2302213595 Moscow INTERFAX in English 1946 GMT 23 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 23 (Interfax)—The Russian Security Council Interdepartmental Commission on Ecologic Safety has informed the leadership of the country on its negative position towards the

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contract for Russia participating in the construction of a nuclear electric power plant in Iran, a commission expert Valeriy Menshikov told Interfax.

Menshikov said that the commission was likely to take an analogous stand towards the now being drafted contract with India on constructing there two nuclear power stations with two light-water reactors of the VVER-1000 [water-cooled, water-moderated reactor] type.

He said the implementation of the contracts would allow the two countries to produce weapon-grade plutonium on the nuclear reactors. "I believe that Russia should not share its advanced nuclear technology with anyone," he added.

Menshikov said the commission would, as usual, send its conclusions to Secretary of the Russian Security Council Oleg Lobov, Premier Viktor Chernomyrdin and President Boris Yeltsin. He said that, however, the documents worked out by the commission were only recommendations. He said the Russian Nuclear Energy Ministry had got the upper hand as far as the conclusion of the contract with Iran was concerned.

Menshikov said those in favor of concluding the contract motivated their position by the fact that its implementation would be controlled by the IAEA [International Atomic Energy Agency]. He said he believed that such arguments were "not so convincing." He said the IAEA had to admit that it failed to control "about 1

of nuclear materials which are tonnes of uranium and plutonium."

The expert also said he disapproved of nuclear cooperation between Russia and several East European countries, in particular Bulgaria and the Czech Republic.

He said he feared that after all these countries acquired nuclear technology Russia might find itself surrounded by some "belt" of countries accumulating nuclear substances. Menshikov said only 6 kilograms of plutonium were required for producing a nuclear bomb.

Commentary on Kozyrev's Upcoming Visits to China, Japan

Border Issue on Agenda in Beijing

OW2402033395 Moscow Voice of Russia World Service in Mandarin 1100 GMT 22 Feb 95

[Krichevskiy commentary from the "Current Events and Commentary" program]

[FBIS Translated Text] Commenting on Russian Defense Minister Kozyrev's planned official visits to China and Japan in early March, the station's observer Krichevskiy noted: These are regular visits. Russia and China have signed an agreement on holding regular high-level political dialogues; their foreign ministers meet twice a year on a regular basis. When Kozyrev meets Qian Qichen and other Chinese leaders, they will discuss improving constructive cooperation between the two countries. Relations between Russia and China have improved steadily in recent years and the future outlook is bright. Their present mission is to work out a way to improve bilateral exchanges that will benefit both parties.

Kozyrev has important tasks to achieve during his visit. It has been learned that some 40 to 50 issues, including the border problem, will be brought forward during the talks. Generally speaking, the talks on border issues have been proceeding smoothly. The two countries signed an agreement on the western section of their border last year, and the progress they made on disarmament along the border, measures for building up trust, and other issues was gratifying. The work of demarcating the eastern section of the border is continuing and is scheduled to be completed in 1998.

Meanwhile, several leaders of Russia's Far East border areas are attempting to revise the Russo-Chinese border agreement signed in 1991 because it would make Russia lose a part of [words indistinct] territory. However, the Foreign Ministry is firmly opposed to revising the agreement because it believes that this will lead to turbulence and instability at the border and a possible deterioration in bilateral relations. It is believed that Kozyrev will express the Russian leaders' views on this issue during talks in Beijing.

Kozyrev will set off for Japan from Beijing. He will continue political dialogue with Japanese leaders in light of the strategic principle of developing Russo-Japanese relations. This strategic principle was established by President Yeltsin during his visit to Japan in October 1993. While the focus of the talks is bilateral relations, the territorial problem is unavoidable. However, Russian political observers believe that nothing unexpected will arise in this area. Regarding international issues, the two leaders may discuss the replacement of DPRK's nuclear reactors.

There is another concern about Kozyrev's trip: Kozyrev is the first high-ranking Russian leader to visit China and Japan after the outbreak of the Chechen conflict. Therefore, both Beijing and Tokyo will be interested in Russia's internal political situation. It is certain that Kozyrev will express the Russian leadership's stand on this issue in the two capitals.

Territorial Issue on Agenda in Tokyo

LD2402103295 Moscow ITAR-TASS in English 1001 GMT 24 Feb 95

[By ITAR-TASS correspondent Vladimir Kutakhov]

[FBIS Transcribed Text] Tokyo February 24 TASS—The Russo- Japanese talks, which will be held during Russian Foreign Minister Andrey Kozyrev's upcoming visit to Tokyo, are expected to focus on the territorial issue and on international matters of mutual concern,

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assistant press secretary of the Japanese Foreign Ministry Ken Shimanouchi said, replying to an ITAR-TASS query during a briefing for foreign journalists here today.

He avoided giving a more detailed answer to the question, saying that the agenda of Kozyrev's visit was still being thrashed out between the foreign ministries of the two countries. He also said that the Japanese Foreign Ministry still had no information on the possible programme of contacts for member of the Russian delegation Boris Gromov, chief military expert of the Russian Foreign Ministry, who is the first person in the rank of deputy defence minister to visit Japan.

Asked by ITAR-TASS whether the talks would touch on Russia's participation in the work of the Korean Energy Development Organisation (KEDO), which is to supply up-to-date nuclear reactors to Pyongyang, Shimanouchi noted that Tokyo was contacting on this matter several states of the Asia-Pacific region, Europe, and the oil-producing countries of the Middle East. However, the assistant press secretary did not name these countries due to some "diplomatic reasons".

Agreement Signed With PRC on Establishing High-Tech Center

OW2302004895 Moscow Voice of Russia World Service in Mandarin 1300 GMT 22 Feb 95

[From the "News" program]

[FBIS Translated Text] An agreement on the establishment of a Russian-Chinese science and high-tech center was signed in Beijing today [22 February]. (Yakaba Sumeri), deputy minister of Russia's Ministry of Economics, said recently that Moscow and Beijing had agreed to cooperate in exploiting the international market in the fields of information and new technologies.

Government Delegation to Visit PRC in April

LD2402111395 Moscow ITAR-TASS in English 1034 GMT 24 Feb 95

[By ITAR-TASS correspondent Oleg Velichko]

[FBIS Transcribed Text] Moscow February 24 TASS—An agreement on a visit to China by a Russian Governmental delegation in the middle of April was reached today during a meeting between First Vice-Premier Oleg Soskovets and Ambassador of China in Russia Wang Jinqing.

The Russian vice-premier spoke about imparting "a big economic impetus" to Russian-Chinese cooperation. At present the annual turnover between the two countries is valued at 5.6 billion dollars. Last year, it dropped by forty percent from 1993.

According to Deputy Foreign Minister of the Russian Federation Aleksandr Panov, barter deals between Russia and China have done their job and the two countries need to switch to "liberalization of their settlement systems and the opening of yuan accounts by Russian firms".

Aleksandr Panov also said that a package of economic questions would be prepared for Chinese Premier Li Peng's official visit to Russia in May.

Wang Jinqing said China was ready to buy Russian aluminum and fertilizers, and to set up joint enterprises for growing agricultural commodities.

Philippines May Purchase Russian MiGs

LD2102172695 Moscow ITAR-TASS in English 1525 GMT 21 Feb 95

[By ITAR-TASS diplomatic correspondent Andrey Bychkov]

[FBIS Transcribed Text] Moscow February 21 TASS—The Philippines is studying the possibility of purchasing Russia's MiG-29 fighter-planes, a high official of the Moscow Aviation Production Association told ITAR-TASS today on condition of anonymity.

The official told ITAR-TASS that a delegation from the Russian defence industry had just returned to Moscow from Manila where its members conducted negotiations with National Defence Minister Renato de Villa and with Air Force Commander Nikashio Rodriguez.

The negotiations focused on long-term plans for modernising the Philippine's Armed Forces and for possible participation of the Russian arms manufacturers and exporters in that process.

Russia will participate in the Manila international air show from March 7-12, where two MiG-29 fighter planes and two ultra-light one- and two-seater planes will perform exhibition flights. These multipurpose aircraft, a result of the military-to-civilian conversion, can be put to use in agriculture, meteorology, aerial photography, etc.

Russia first put its aircraft on the market in South East Asia in the summer of 1994, when it signed a contract with Malaysia to sell 18 MiG-29 fighter-planes.

Malaysian Air Force pilots are now training to pilot Russian planes at Mapa airfields. The first Russian fighter-planes will be shipped to Malaysia in March and April.

Indonesia and Thailand have also shown interest in Russian military aircraft.

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Political Issues

FCS Director 'Satisfied' With Visit to Turkey

LD2302215095 Moscow INTERFAX in English 1946 GMT 23 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 23 (Interfax)—The director of the Federal Counterintelligence Service (Russian acronym FSK), Sergey Stepashin, has said he is satisfied with the results of his visit to Turkey to hold talks with the Turkish special services, Interior and Foreign Ministries. "The talks were maximally constructive, when the sides virtually took the hint," he told Interfax. The talks focused on drug trafficking, illegal arms sales and organized crime.

The head of the FSK public relations center, Aleksandr Mikhailov, told Interfax that Turkish President Suleiman Demirel had told Stepashin that his country's policy with respect to Russia's territorial integrity and constitutional system was not subject to adjustment. For its part, Turkey took measures to screen arms and mercenaries from the Caucasus. At the same time, the Turkish special services did not rule out that individual citizens could leave for the North Caucasus on their own to take part in military operations.

Yeltsin Message 'Does Not Inspire Enthusiasm'

MM2402081695 Moscow TRUD in Russian 24 Feb 95 p 1

["Commentary on the President's Message by Pavel Bunich," transcribed by Yelena Varshavskaya: "One Would Like More Specificity"]

[FBIS Translated Text] This is only the second year that the genre of the president's message has existed in our country. We discuss it and evaluate it without always understanding just what it is.

And so, irrespective of the situation, the president's message should be very well considered and should not contain any incredible hypotheses or radical proposals. In countries with a stable environment, where "tomorrow" is the same as "yesterday," there are and can be virtually no novelties in the head of state's message. In our country there should, of course, be more. But no extremism.

Formerly all "congress" documents inevitably contained a section on "questions of theory." Today there are no congresses, but theoretical ideas on the state's paths of development are essential. Their place is in the president's message.

The president should also answer topical questions in his message, taking account of public opinion. He should give clear-cut promises on the solutions to various problems.

The message should be publicistic and laconic, containing slogans by which the country is subsequently to be guided.

This is what the form of the president's message dictates. Does this year's address from our head of state correspond to this form?

As far as excessive novelty is concerned, no one would accuse it of that. It is calm, restrained, and balanced. This is probably a good thing: In today's situation it would be foolhardy to sharpen still further the already sharp edges.

For the rest, the message does not inspire enthusiasm. The range of questions which it contains is unusually wide. It is a gigantic document of about the length of the old congress documents; it makes an attempt to encompass the infinite. At the same time, the promises which the president gives are very vague and indefinite, and sometimes contradictory. The message is also gray and weak from the publicistic viewpoint. Sometimes you have to "decipher" the head of state's meaning.

For example, the battle with inflation is declared a supremely important goal for its own sake. But prices have risen a thousandfold over the past three years! This year they will possibly increase by a further threefold. And they could finally become higher than world prices. Then the country would begin to live off imports, and Russian industry would collapse once and for all. But, if there is no internal production, how are we to purchase imports? The state will find itself in an impasse.

Thus the battle against inflation is, of course, essential. But it should not be forgotten that investments and credits channeled into production also cause inflation. Although, if there are no investments and credits, what development is there to speak of?

This is why consistency demands the following: Investment is necessary, and for investment to be forthcoming it is essential to carry out privatization. And only after that to fight inflation.

Investment is needed first and foremost in the science-intensive sectors, to enhance the technological quality of our production—as the president in fact rightly stresses in his message.

He is also correct about the need for a new, market-oriented management of the state sector. Today the state sector is managed according to the old socialist principles: Enterprises simply sponge off the state, without always caring about the efficiency of their production.

The country's budget should not be an enterprise [khozyaystvennyy] budget, that is to say, the state, even if it has the money, should not engage in centralized capital investment in production. However, it is essential to invest in sectors which have a promising future, or which can bring in very quick returns. Just as, no matter what, agriculture should also be supported.

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The president also stood took a firm and balanced position with regard to financial and industrial groups. These groups are necessary the whole world over; it is they, and not small enterprise, which determine the climate. However, the groups that are needed are those that do not lead to monopolies and do not seek privileges.

All the same, the president's message is highly amorphous, especially the part containing promises. "Inflation must be substantially lowered," "a bridge must be built between the inflationary past and a future of investments"—these are tasks that will not be achieved in the current year. And it is not only 1995 that will be "a year of agrarian reform," but also 1996 and 1997 and "cailing at all stations thereafter." One would like greater specificity.

Duma Fails To Override Veto on Pension Hike Law

LD2402100595 Moscow ITAR-TASS in English 0950 GMT 24 Feb 95

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow February 24 TASS—The State Duma has failed to override President Boris Yeltsin's veto on a law "On an Increase in the Minimum Amount of Pension, a Procedure for the Indexation and Recalculation of State-Paid Pension in the Russian Federation", which the Duma passed on January 18, this year. Two hundred and sixty-three members of the Duma voted in favour of overriding the presidential veto, or 37 votes less than needed for a positive decision on the issue.

It must be recalled that the Duma-adopted law on raising the minimum amount of pensions provided for a 57-percent indexation or an increase in minimum old-age pensions of up to 54,100 roubles.

If the president agreed with the suggested amount of hike, that would have entailed additional spending of more than 23,000,000 million roubles. Yeltsin, upon imposing the veto, informed the Duma members that the above-mentioned expenditure would have led to a 15,200,000-million-rouble deficit in the budget the pensions, and emphasised that a 1995 draft federal budget did not envision funds for these purposes.

Shumeyko To Participate in Presidency 'Struggle'

LD2302214195 Moscow INTERFAX in English 1946 GMT 23 Feb 95

[FBIS Transcribed Text] PERM, Feb 23 (Interfax)—Chairman of the Federation Council Vladimir Shumeyko said he "will find an opportunity to take part in the struggle" for the Russian presidency "if there are conditions and necessity for doing so."

Shumeyko told a news conference in Perm (the Urals) today that "stability and not the elections are the main good for Russia today." He said it would be good for Russia if "President Boris Yeltsin manages to work at least during two terms." He said he did not see any alternative to Yeltsin as the Russian president among the present politicians.

Shumeyko said he believed that the parliamentary elections must be held at the time fixed in the Constitution and in accordance with the law adopted by the parliament rather than according to a presidential decree.

When asked about his attitude to the fact that Head of the Security Service of the Russian president, General Aleksandr Korzhakov was ahead Shumeyko in the rating of influential politicians, Shumeyko said he was perfectly aware about who and how he himself was influencing. He said the real situation was totally different from what was published in newspapers. Shumeyko added that he did not care in the least about the ratings of influential politicians.

Shumeyko told members of the Perm Region Legislative Assembly and local administrators on the same day that he was in favor of decreasing the number of State Duma deputies elected on party tickets. He said the majority of parties were influential only within the limits of the center of Moscow. He said that thus about a half of the State Duma represented Moscow.

Shumeyko stressed that the interests of regions and Moscow parties were different.

New Officials in Charge of Property Management

LD2302104895 Moscow ITAR-TASS in English 1002 GMT 23 Feb 95

[FBIS Transcribed Text] Moscow February 23 ITAR-TASS—The Government of the Russian Federation appointed First Deputy Chairman of the Russian Federal State Property Managing Committee Pyotr Mostovoy director-general of the Federal Agency for Insolvency (bankruptcy) Affairs.

Sergey Belyayev, who headed the agency earlier, was relieved of the post, according to the text of a government ordinance dated February 20, 1995 and received by ITAR-TASS on Thursday [23 February].

According to the same ordinance, Sergey Belyayev was made chairman of the committee for managing state property of the Russian Federation by the Russian president on February 8, 1995.

Military Issues

Yeltsin Comments at Kremlin Wall Military Ceremony

LD2302140395 Moscow Ostankino Television First Channel Network in Russian 1252 GMT 23 Feb 95

[Report by correspondent Anton Vernitskiy; from the "Novosti" newscast]

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[FBIS Translated Excerpt] The Russian president and the supreme commander of its armed forces, the head and members of the government, the chairman of the Federation Council, the parliament speaker and people's deputies today laid wreaths at the Unknown Soldier's Tomb at the Kremlin Wall. [passage omitted]

[Begin Yeltsin recording] I would like to wish them [soldiers] to stand their ground, to stay alive, to return to their hearths, and not to lose heart. After all, the people are still in support of this solution of the problem. [sentence as heard] The people support them [soldiers]. And whatever some people write about the army—no, all the same, our armed forces, indeed, you see, our soldiers, so to speak, and officers, you see, do not shoot the old people in the back, they do not protect themselves behind the wall of their [old people's] backs. No, they fight honestly. This is the main thing. [end recording]

Premier Greets 'Defenders of the Fatherland'

MM2302092095 Moscow ROSSIYSKAYA GAZETA in Russian 23 Feb 95 First Edition p 1

[Message from (Prime Minister) V. Chernomyrdin on "Defenders of the Fatherland Day": "Congratulations on Your Holiday, Defenders of the Fatherland"]

[FBIS Translated Text] I sincerely congratulate servicemen and war and Armed Forces veterans on Defenders of the Fatherland Day!

In the history of the Russian state this is a special holiday. Our country has built up a remarkable tradition of marking this day all together, of paying a tribute of huge respect to Russian servicemen in recognition of and gratitude for the feats of arms of our soldiers.

It is with great warmth that we appeal today, in the year of the 50th anniversary of the Victory, to veterans of the Great Patriotic War. Your grateful descendants will eternally remember your magnificent feat, dear veterans, and the huge losses which our Fatherland suffered before the banner of Victory was raised in the memorable spring of 1945.

The sons and grandsons of those who half a century ago saved mankind from the brown plague are worthy successors and continuers of the martial traditions of the Russian Army.

In the present difficult sociopolitical situation you, servicemen of Russia, are showing steadfastness and forbearance and honorably fulfilling your professional duty.

Today there must be a clear conception that the Armed Forces are the most important basis of statehood and the guarantor of stability in Russia—a country which has set out on the road of profound democratic transformations. This is why the Army and Navy should be mighty, equipped with the most modern weapons, and capable of repulsing any aggressor.

I wish you, dear servicemen, your families and friends, and war and Armed Forces veterans good health, happiness, and prosperity.

Honor and glory to you, and immense gratitude for your difficult martial labor to defend Russia's national security.

Congratulations on your holiday, dear friends!

[Signed] V. Chernomyrdin

Grachev Speech on Fatherland Defenders Day

MM2302155195 Moscow KRASNAYA ZVEZDA in Russian 23 Feb 95 p 1

[Defense Minister Grachev Order of the Day No. 70 dated 23 February 1995 in Moscow]

[FBIS Translated Text] Comrade soldiers and sailors, sergeants and petty officers, warrant officers, ensigns, and officers!

Esteemed war, labor, and Armed Forces veterans!

On 23 February 1995 our country is marking Defenders of the Fatherland Day.

On this noteworthy day the people pay tribute to all those who devoted their lives to the fatherland's cause. The exploits of those soldiers who took part in the Great Patriotic War, their selfless devotion to and love of the Motherland, and their courage and heroism will live on forever in the people's memories. From generation to generation Russian soldiers hand down concepts which are sacred to every soldier—honor, loyalty to the oath, military comradeship, and love of the Fatherland. Today the best Russian military traditions are being augmented by army and navy servicemen. The Armed Forces serve the people and the Fatherland and are guarantors of our state's stability and integrity.

On the eve of the 50th anniversary of the Great Victory servicemen are performing their military duty with dignity and honor, setting examples of selflessness, and courageously fulfilling the tasks of disarming the illegal armed formations in the Chechen Republic.

War, labor, and Armed Forces veterans are making a great contribution to strengthening the country's defense capability, enhancing the army's authority and the prestige of military service, and to the patriotic education of young people.

I wish war, labor, and Armed Forces veterans good health and prosperity, optimism, and purposefulness in educating the rising generation in the traditions of patriotism and loyal service of the Fatherland.

I greet and congratulate you, dear comrades, on Defenders of the Fatherland Day!

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I wish army and navy personnel further successes in increasing combat readiness and the quality of professional training and in strengthening organization and discipline, Honor and glory to you!

In commemoration of Defenders of the Fatherland Day, I ORDER:

That at 2100 hours local time on 23 February 1995, ceremonial fireworks displays be held in the hero-city Moscow, the capital of our Motherland, in the hero cities of St. Petersburg, Volgograd, Novorossiysk, Tula, Smolensk, and Murmansk, and also the cities of Kaliningrad, Rostov-na-Donu, Samara, Yekaterinburg, Novosibirsk, Chita, Khabarovsk, Vladivostok, and Severmorsk.

[Signed] Army General P. Grachev, Russian Federation Defense Minister.

ITAR-TASS Report on Defenders Day

LD2302132595 Moscow ITAR-TASS in English 1214 GMT 23 Feb 95

[FBIS Transcribed Text] Moscow February 23 ITAR-TASS—The Russian Federation today marks Motherland Defenders Day, a national holiday which this year precedes celebrations of the forthcoming 50th anniversary of the World War Two victory day.

Social functions were held today in Moscow and in all regions of the Russian Federation which contributed to the nation's feat of valour in the war which Russians call "the Great Patriotic War".

Volumes listing the names of all those fallen on the battlefields have been published in several regions of Russia. Streets have been renamed in honour of those who covered themselves with glory in the past war, and parcels with presents for Russian soldiers on duty in Chechnya have been sent in thousands from all over the country.

Russia's national holiday is also marked in other countries.

Flowers were laid to the monuments to Soviet liberators of Germany from the Nazi plague in Berlin's Treptower Park and Pankow area on Thursday by Russian diplomats, representatives of the Russian orthodox church and diplomatic missions of the anti-Hitler coalition member-countries and the German public.

In Switzerland, Swiss peace champions and veterans of the anti- Nazi movement and the war in Spain joined Russian citizens living and working in their country in laying wreaths and flowers to the common grave of Russia soldiers in Basel. The monument was erected here after Moscow and Bern resumed diplomatic relations in 1946.

In Russia, Patriarch Alexy of Moscow and all Russia said in a message addressed to the servicemen in the Russian Army and Navy, war and army veterans, as well as all compatriots on the occasion of Motherland Defenders Day that the chronicles of the last war abounded in instances of Russian people's readiness to sacrifice their lives for their motherland and the nation and expressed the hope that "a dark shadow of wrongful actions of politicians will not fall on the soldiers and officers who are honestly doing their national duty and that the army will not be drawn into a political strife which is dangerous for the nation".

In Belarus, President Alyaksandr Lukashenka said his country was seeking closer ties with the Russian Federation in both the economic and military fields. He was speaking after laying, together with Prime Minister Mikhail Chyhir, parliament chairman Mechyslaw Hryb, war veterans and Defence Ministry officials, wreaths to the monument to soldiers, partisans, and other fighters in World War Two in Minsk's victory square.

Lukashenka said Belarus might soon become a country on the border with the sphere of influence of the North Atlantic alliance as Poland and Lithuania were seeking admission to it.

He said that close cooperation with Russia in the military sphere was vitally important for the development of Belarus young army which cannot keep up its combat capacity at a level necessary for the defence of the republic's sovereignty without assistance from the fraternal Russian country.

Office Created To Represent Chechen Republic

LD2302174295 Moscow INTERFAX in English 1712 GMT 23 Feb 95

[FBIS Transcribed Text] Moscow, Feb 23 (INTERFAX)—By his decree, Russian President Boris Yeltsin created a special office to represent the Chechen republic in the presidential staff, the presidential press office said. According to the document, the step was motivated by the need to ensure representation of the Chechen republic in the federal bodies of power and to coordinate the activities of federal and republican bodies until constitutional bodies of power are formed in Chechnya and it is properly represented in the Federal Assembly.

The Russian government, presidential executive office and Moscow government were asked to provide the new office with premises, means of communications and transport and other facilities.

The decree came into force once signed.

Gaydar Says Chechnya Conflict 'Big Defeat' for Democracy

MS2402095995 London THE GUARDIAN in English 24 Feb 95 p 12

[Report on interview with Yegor Gaydar, leader Russia's Choice, by David Hearst; place and date not given: "Russia's Liberal Guru Abandons Yeltsin"]

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[FBIS Transcribed Text] Moscow—Yegor Gaydar, leader of Russia's Choice and Boris Yeltsin's former acting prime minister, has definitively broken with the man he helped into power four years ago, by saying this week that the president should no longer continue in office after June 1966, when he is due for reelection.

In an interview with the Guardian, the liberal economist and guru of radical reform was pessimistic both about the prospect of keeping Russia on the path of change, and about Mr Yeltsin's suitability as a democratic leader.

While maintaining the formal position that the choice of presidential candidate was for his party to decide, and that this could be done only after the parliamentary elections in December this year, Mr Gaydar made no secret of his personal opinion.

"I really hoped for quite a long period of time that Yeltsin would be the candidate for our congress," he said. "We know his weaknesses very well, but he represents stability, and a bulwark against the danger of the restoration (of communism). Now it's very difficult for me to believe that Yeltsin could be and would be the candidate of the democrats after Chechnya."

This probably marks the point of no return between two men who have spent much of the last three years supporting each other. Even after the Russian assault on Chechnya was launched on December 11 last year, Mr Gaydar kept the door open by blaming Mr Yeltsin's advisers, not the president himself. He said then that he and the president lived in two different "fields of information".

But now, "the easiest thing that exists after you have brought the president to power is to say, 'well, now he has gone bad; I completely renounce him and I don't have any responsibility for all the things that are happening in such a way.' It's much more difficult to try... to make sure that his actions should be reasonable. Up until recently I thought to a greater or lesser degree we had managed to succeed in this.

"But when he took the military road to resolve the Chechen problem, he stepped on to a very dangerous path for Russian democracy, and we are obliged to declare that we are against this. I feel no happiness in this. I regard this as a big defeat for Russian democracy."

Mr Gaydar was also downbeat about the prospect of the government being able to stabilise the economy and carry on the reforms. He said the next steps Russia should take were clear: the establishment of property rights, agrarian reform and changes in state management. But he was not at all certain whether this would happen.

He said the struggle was to keep what had already been achieved, such as a free press.

"I think the risks (of a total reverse) are quite serious."

With important defections from his own party's ranks in the State Duma, Mr Gaydar is now facing political isolation. Two months ago, centre-left groups led by Grigoriy Yavlinskiy and Boris Fyodorov rejected an offer of a coalition with Russia's Choice, and since then the party has been splitting.

After the exit in December of Andrey Kozyrev, Russia's foreign minister, Vladimir Bauer [as published], another member and chairman of the powerful Duma committee organising benefits for deputies has also left. The defectors are trying to form a pro-presidential faction. Instead of Russia's Choice, a group called something like Strong Russia is rumoured to be emerging.

Asked whether he now thought he had been over-optimistic about the prospects of reform when he came to power, Mr Gaydar said: "Of course there are lots of things that, in hindsight, I would have done differently: technical things like foreign trade regulations, some political programmes and different appointments. But, to tell you the truth, it would not have mattered. The crucial problem is that you need three years to get to a normal working market economy and we had the political basis for only one year."

Commander: All Dudayev's Combat Planes Destroyed

LD2302214895 Moscow INTERFAX in English 1946 GMT 23 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 23 (Interfax)—The Commander-in-Chief of the Russian Land Force Colonel-General Vladimir Semyonov thinks that in 1995 the country should finalize the priorities of the army reform. He told a Thursday [23 February] news conference in Moscow that every arm of service has worked out its own concept of reform.

According to Semyonov, the priority for the land force is the advancement of control, not attack structures: communications, reconnaissance and means of electronic warfare.

Answering questions from the press he admitted that soldiers with a service record of less than one year were mostly involved in the fighting in Chechnya because senior soldiers were to be demobilized.

The Commander-in-Chief of the Air Force Pyotr Deinekin told the same news conference that his force destroyed all the 266 planes which Dzhokhar Dudayev could use for combat. He said that air attacks on Groznyy were made on the strongholds of militants, the tank repair plant, the TV center and Dudayev's command posts.

Deinekin declared that air attacks on the Chechen capital were stopped between January 24 and February 17. He added that the city was destroyed mostly in street fighting after January 31.

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Presidential Commission on Missing Troops in Chechnya

LD2402112095 Moscow ITAR-TASS in English 1112 GMT 24 Feb 95

[By ITAR-TASS correspondent Anatoliy Yurkin]

[FBIS Transcribed Text] Moscow February 24 TASS—As many as 1,146 officers and men of the Russian Federal Army were killed in battles against Dudayev's gangs since the beginning of the Chechen conflict (December 11), Chairman of the Commission for War Prisoners, Interned and Missing Persons under the Russian president Dmitriy Volkogonov told a press conference in Moscow.

Asked by ITAR-TASS about the reasons for the discrepancy of casualty reports published by the mass media, Volkogonov said that his figures "are objective". "They have been received directly from 27 military units, discharging their duties in the Chechen republic," he stated.

"The casualty figures," Volkogonov said, "change in the course of every day. For instance, a Russian soldier and an officer were killed during an exchange of mortar fire tonight." The border troops, according to Volkogonov, had lost three men out of the total number of killed and the interior troops—63. The killed include 16 officers from different services of the Interior Ministry and nine doctors.

Volga Region Commander Criticizes Chechnya Policy

MK2402104095 Moscow KOMMERSANT-DAILY in Russian 24 Feb 95 p 3

[Report by Ilya Bulavinov, Konstantin Lange under the "Situation in the Army" rubric: "A Must for a Minister: To Be Clever and To Know One's Stuff"]

[FBIS Translated Text] Defenders of the Fatherland Day [23 February] was a good pretext for politicians and the military to express their views on the Armed Forces. Pavel Grachev, for instance, demanded money; Boris Yeltsin, reform; Yuriy Baturin finally understood the need to switch to a professional army; while Vladimir Shumeyko, on the contrary, categorically opposed "cuts under the pretext of professionalization." These statements pale, however, in comparison with the demeanor of generals in active service, who are becoming increasingly bold in expressing views dissenting from those of their superiors. On the eve of the holiday, Colonel General Anatoliy Sergeyev, commander of the Volga Region Military District—who has not fallen from grace at all or has been previously known for a penchant for political games, and who, on the contrary, has fairly good chances for promotion—harshly criticized the progress of military reform and the military leadership's handling of the Chechen campaign.

Gen. Sergeyev blamed heavy casualties sustained by the 81st Motorized Rifle Regiment (moved to Chechnya from the Volga Region District) on the night of 31 December and 1 January on Anatoliy Kalinin, commander of the joint group of the federal troops. "Both strategic and tactical plans of the operation had too many drawbacks to be ignored," the general said. Sergeyev also pointed out the absence of qualified preparations for the Chechen operation, saying that it was carried out "in a hurry." In his view, when devising the operation, the command "should have assessed the situation in terms of the weather" because from December to February the climate in the Caucasus is not very favorable for aviation and air reconnaissance; impassable mud should have made them think about the requisite equipment for the servicemen. The time for starting the operation was also unpropitious for organizational reasons, Sergeyev said: In November, compulsory service personnel were discharged into the reserves, while those called up in autumn 1994 could not be sent to the North Caucasus. The shortage of time put the heat on district commanders and affected the preparation of units to be sent to Chechnya.

Sergeyev conceded at the same time that the level of the army's combat readiness has declined lately. In his view, "It is time to stop talking about a nonexistent military reform:" a chaotic reduction and reorganization of the army is under way, the results of which are "quite dubious." The Volga Region Military District commander thinks that a program of army reform should be drawn up to determine the criteria of "sufficient defense capability." The program should specify how many soldiers and what kind of army Russia needs; how many combat-ready full-strength units should be there; the size of the reserves; the period of time within which reform can be carried out; how conversion should proceed. Answering KOMMERSANT-DAILY's question, Sergeyev said that he holds "a normal view" on the restoration of civilian control over the Armed Forces. In his opinion, this control should be expressed in the parliament's attention to the state budget's military appropriations, compliance with them, and the spending of this money. Sergeyev is also "calm" about the possible appointment of a civilian defense minister: "He should be clever and know his stuff." Currently, the general said, district commanders are waiting for a meeting with Boris Yeltsin, which has been promised to them but has been constantly postponed.

Sergeyev would not specify what he is going to tell the president. It is clear, however, that the commander's stance cannot but draw Pavel Grachev's strong displeasure. The fact that Anatoliy Sergeyev ventured to criticize his superiors in so harsh a tone and did not rule out the possible appointment of a civilian defense minister (Grachev has repeatedly stressed that "the army would not obey a civilian's orders") appears to indicate that drastic changes in the army leadership are just around the corner.

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Conscripts Shortage Reported in Chechnya

LD2302231695 Moscow ITAR-TASS World Service in Russian 1649 GMT 23 Feb 95

[By ITAR-TASS correspondent Sergey Ostanin]

[FBIS Translated Text] Moscow, 23 Feb—The staffing of ground forces subunits in Chechnya with personnel on compulsory service is running at 35-50 percent of normal peacetime levels. The troops are continuing to experience great difficulties with manpower acquisition, Colonel General Vladimir Semenov, ground forces commander in chief, said at a news conference today at the press center in Moscow's Staraya Ploshchad.

In Semenov's view, ground forces subunits in the conflict zone should be reinforced with personnel, weapons, and military hardware in accordance with wartime norms.

The commander in chief linked the staff shortage with the problems of conscripting young people. He said he did not support the universal enlisting of students for military service, but some of them could be called up now, regardless of deferments. In the commander in chief's view, every young man is obliged to fulfill his constitutional duty to defend the fatherland. Semenov said he thought the problem of troop manning was not being made any worse by the reduction of the Armed Forces, since this was being conducted with regard to the new organizational and staff structure.

Answering a question from an ITAR-TASS correspondent about the participation of reservists in the disarming of illegal formations in Chechnya, Semenov stressed that "such an option is desirable but unrealistic."

"The question of enlisting reservists has not been raised and is not being raised by the supreme military leadership," he said. At the same time, the general voiced the opinion that the enlisting of reservists during the interethnic conflict in Sumgait [Azerbaijan] at the beginning of the 1990's had justified itself.

Grachev Says Army Fulfilled Task in Chechnya

LD2302145295 Moscow ITAR-TASS in English 1442 GMT 23 Feb 95

[By ITAR-TASS correspondent Mikhail Shevtsov]

[FBIS Transcribed Text] Moscow February 23 TASS—The army has fulfilled its task in Chechnya with dignity and to the full, however "our state lost to the Chechen side in the field of information support", Russian Defence Minister Pavel Grachev said on Thursday [23 February]. He addressed a meeting of military leaders who took part in the World War II and head veterans' movements in the Russian Armed Forces.

According to the minister, the Chechen military campaign was masterminded and carried out as successfully as "any operation in Afghanistan".

"The fact that we have seized a strongly fortified city without heavy losses typical for an operation of such a scale is above all to the credit of our officers and non-com officers", Grachev noted. According to him, the Chechen capital Groznyy was defended by some 15,000 professionally trained "servicemen of the Chechen army" and about 6,000 mercenaries.

Grachev said the Chechen leaders had managed to enlist support from some 1,500 criminals, as well as members of mafia-style groups in the sphere of drug and oil trafficking, and mercenaries from many foreign countries. "In fact, Chechnya has turned into a knot of gangs from all over the world", the minister noted.

Grachev also told the war veterans that the results of the first stage of the Chechen operation would be summed up at a military scientific conference on February 28. Furthermore, the drawbacks of the Chechen military campaign are to be reviewed at a closed-door meeting of the Defence Ministry collegium on March 1.

Airborne Troops Chief Podkolzin on Chechnya, Manning

MM2302101995 Moscow SOVETSKAYA ROSSIYA in Russian 23 Feb 95 pp 1-2

[Interview with Colonel General Ye.N. Podkolzin, commander of the Airborne Troops, by Zhanna Kasyanenko; place and date not given: "Don't Cry Over the Army; We Have an Army. And Russia Has Defenses! We Were Marginalized"]

[FBIS Translated Text] [Kasyanenko] On festive days, it is customary to remember the good things, look back on the path traveled, and commemorate the milestones that form the objects of our common pride. To seek in them some moral support, to draw hope from them. The history of the Airborne Troops, like the history of our entire Army, of course, is rich in illustrious deeds. Tell us about them.

[Podkolzin] The Airborne Troops are one of the youngest components of our Army. But as early as the years of the Great Patriotic War they played an important role in the defeat of Hitler's Germany, especially in the second stage of the war. Some of them fought at Stalingrad, and fought heroically. The divisions that were declared "guards" divisions after the Battle of Stalingrad consisted mainly of paratroopers. And as you know, the title of guards unit is not handed out for nothing. In general, however, prior to 1944 the divisions of the Airborne Troops were the commander in chief's reserve, and they played their part outside our Fatherland's borders, in the liberation of European countries.

Even after the Great Patriotic War our troops were used in various operations outside the country, but in its interests, of course. In Hungary in 1956 and in Czechoslovakia in 1968 they played a decisive role in suppressing rebellions. Nowadays people say that these were not rebellions, but the green shoots of democracy. But I

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am using the strict historical term, as a military man who cannot get involved in politics. A special contingent of our troops took part in the events in Angola, Ethiopia, and Mozambique, in the Egypt-Israel conflict of 1967, and, of course, in Afghanistan. According to the enemy's assessments, it was the paratroopers who displayed the highest combat potential of all the categories of troops that were involved in Afghanistan.

Everywhere the paratroopers were famed for their excellent political training, morale, and discipline. They were, and are to this day, strong by virtue of their fraternity, their degree of organization, their collectivism—those qualities of the military man that Suvorov himself taught us.

[Kasyanenko] Whom do you personally regard as your model in military matters, your teacher?

[Podkolzin] I regard Hero of the Soviet Union Vasiliy Filippovich Margelov as more than simply a teacher—as my father. We modeled ourselves on him. We regarded him as Number One Paratrooper, Number One Commanding Officer, Number One Man.... I had the good fortune to serve under him from cadet to division commander. He also had kind feelings for me. Before he died he presented me with his personal weapon—a pistol he had had since the war. I still have it....

[Kasyanenko] There can be no doubt that this priceless weapon will never be spoiled or misused. But now to the Airborne Troops. After all, they are in your hands today too. How do things stand in this respect?

[Podkolzin] Here I will have to turn aside from festive matters and talk about matters that are both prosaic and grievous to me as a commanding officer.

In general, our troops are 85-percent manned today. But some 15 percent are studying in training regiments and divisions, and since today we are drafting people into military service every six months (this has become one of our main occupations), the combat units are only 50-percent manned. At the moment we are only training a small proportion of conscripts via the former DOSAAF [Voluntary Society for the Promotion of the Army, Air Force, and Navy]. We used to receive 100-percent fully trained parachutists from the military commissariats. Of course, it was considerably easier to bring boys like that into the ranks. We are still doing this today, but with far greater effort and expense. It is difficult to find people who are physically and morally prepared, it is difficult to draft people at all. People run from the Army today almost as if it was prison.

I cannot help referring to the past again. When I was a division commander, I had 600-700 men—soldiers and noncommissioned officers—over and above the establishment. Service in the airborne troops was regarded as not only an honor, but also a fine school in life, courage, and patriotism. I remember in 1957-58 there was an initiative: to draft into the Airborne Troops, along with others, the most diehard hooligans, even those with previous convictions. And what happened? When they left the Army they were men. They had gone straight. Thanks to educational work. At that time the officers were mainly front-line men, they had something to tell the soldiers, and their authority was undisputed. They went straight thanks to the collectivism that has always been the Airborne Troops' strength. And, of course, thanks to a high standard of professional training.

Despite the general situation at present, according to the military commissariats, young boys want to serve in the Airborne Troops, because even today they are still elite troops. However, a normative has been laid down for us, and despite the fact that the troops are not up to strength, we cannot go beyond it. Is that the fault of the officers and generals? Or of the military commissariats, who are generally showered with accusations over the poor organization of the draft? But do you know who is chairman of the draft commission, under the law? When I put that question to journalists at a press conference, they could not answer it. But it is the head of the local authority in any city or rayon. That is, a representative of the state, because the draft is a matter for the state, not the Army. Its nonfulfillment indicates only one thing—that the state has relaxed its concern for its own security, that it does not want to bother with the Army. And that is very sad, because it is well known that a state that will not feed its own Army will sooner or later have to feed someone else's.

In our country the Defense Ministry comes last today as far as financial upkeep is concerned. The same cannot be said, for instance, for the MVD [Ministry of Internal Affairs], which has its own regiments, divisions, and districts, and receives armaments. Strictly speaking, the resolution of internal conflicts is its task. But since we have adopted a defensive doctrine, the Airborne Troops cannot carry out missions outside the country. As the best prepared and controlled, they are involved in domestic conflicts, although that is not their proper place. Furthermore the state that sends them to fulfill these missions puts the blame on them. I recently witnessed one high-ranking official, a member of the government and the Security Council, saying on television that the military are to blame for the devastation of Groznyy and should restore it out of their own budget. What kind of approach is that? What kind of attitude is that for a state official of the highest rank to express toward the Army?

[Kasyanenko] Much is being said nowadays about the Army always being let down. And you could doubtless cite specific examples of this.

[Podkolzin] Let us begin with a question that is widely discussed today: Who is to blame for the fact that weapons were left in the near abroad in large quantities when our formations were withdrawn from there when the Army was reshaped. After all, the fact is that when we were leaving there, none of the state officials lifted a

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finger to resolve these questions on a diplomatic basis, in a civilized manner. We military men were left to stew in our own juice. I personally took part, along with the minister, in talks when two divisions were withdrawn from Lithuania and when we left Ukraine and Central Asia. But we left empty-handed, leaving military camps, stores, and dumps there that were worth billions of rubles. We left it all for free, including four top-class airfields—two in Lithuania which you could consider to be air bases, in Ukraine, and in Ganja. Our officers and warrant officers are forced to wander from one private apartment to another today. That is when wages are—for a captain, say—250-280,000 rubles, and when you have a family, and your wife can't find a job, as a rule. Surely their disastrous situation should be a subject of state concern?

Army reform is on everyone's mind today. But there is no point even talking about it today. Reform cannot be carried out without enormous financial outlay.

[Kasyanenko] Everything you say, of course, testifies eloquently to the state's attitude toward the Army. And all the same, it is just one side of it. Another, equally characteristic feature of the attitude to the Army is its utilization in interethnic conflicts, which are in fact organized by politicians in pursuit of the goal of breaking up first the Union and now Russia.

[Podkolzin] Here too the Army has been marginalized. Three days ago, on 20 February, the Airborne Troops marked a sad date—seven years ago our troops were used for the first time to eliminate disorders, in Sumgait. And then it went on: Baku, Tbilisi, Nagorno-Karabakh, Yerevan, Fergana, Osh, Dushanbe, Frunze.... Tomorrow the world, as the saying goes. All these operations were called "special missions." Our boys were wounded and killed everywhere. In 1992, because of Nagorno-Karabakh, because we arrested a regiment there that had unlawfully gone over to one of the warring sides, we were the target of vengeance. In Leninakan, five of our boys were shot. We lost five in Georgia when we were withdrawing a brigade from there. Did anyone answer for these crimes? No. Yet we did not volunteer to go to all these "hot spots." The decision to send us there was not even made by the defense minister, but by the state. Today it turns out that they are all out of it. Mikhail Sergeyevich [Gorbachev] himself declares that he was not au fait, he didn't know, etc. It's all fairytales.

[Kasyanenko] But Chechnya clearly cannot be compared with all the previous operations, if only in terms of the number of paragtroopers killed there.

[Podkolzin] Whereas in those seven years we lost 90 men, in Chechnya we have lost 244. Two are held prisoner. I wish to stress particularly that paratroopers do not surrender. These two were wounded and that's how they were seized. Why did the paratroopers go there? To conduct military operations? No. They went there to conduct an operation to confiscate weapons and disarm bandit formations. On Russia's territory. Not for money, but obeying orders. And they died. The state, in the person of the General Prosecutor's Office, has a duty to conduct an investigation into each individual case of people being killed in the course of executing their duties.

[Kasyanenko] Why do you think the war in Chechnya has become so long-drawn-out and bloody?

[Podkolzin] It grieves me to speak on this subject at all, particularly today, a holiday.... As a military man I know for sure that whoever conceived the operation should have seen it through. He should fulfill his decision himself. I find it hard to say who made the decision, who led the operation. In any case it is obvious that this is a complex, unique operation with no parallels. The task was to confiscate weapons and disarm the criminals without hitting the civilian population. That is difficult. Of course, there were many ways and scenarios, as in any military operation. Of course there were some that were unexpected and unusual. I would like to cite a historical example. When, in the Great Patriotic War, the Belorussian operation was in progress, Marshal Rokossovskiy, commander of the First Belorussian Front, found the following unusual solution. He deemed it necessary to carry out two main strikes, which was unheard-of in military history. Usually there was one main strike and the other was a diversionary strike. Stalin agreed to it, and the operation went down in history as a brilliant example of military art.

If I had been making the decision on how to conduct the operation in Chechnya, I would certainly have formulated a plan taking into account such important factors as the state and strength of my troops and the enemy's troops, their deployment, and the points where a retaliatory strike could be made. And much else.

[Kasyanenko] But to do that you have to have complete and reliable intelligence information. When the operation began, did you, as commander of troops taking part in it, have information on Dudayev's possession of types of weapons or the deployment of his units?

[Podkolzin] We had virtually no information. Maybe it was kept secret because of the secrecy of the operation and the covert preparations for it, I don't know. But in any case, when we began to act, we came up against the fact that every Chechen gunman was armed with an automatic weapon and a grenade thrower, while we had one grenade thrower for an entire squad [otdeleniye].

We were prepared to carry out our own specific tasks, but we had to act literally with our hands tied. What do you do, for instance, when shots are fired from among a crowd of civilians—women, old men? Do you shoot to kill? You can't do that. But a shot has come from their side, and has hit its target!

Incidentally, it was thanks to the paratroopers' high level of professionalism that they managed immediately to reorganize themselves to wage a war; from the outset

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they paved the way for other formations, clearing Dudayev's men from the settlements. They were the first. And they played a decisive role in the most crucial periods of the operation.

People accuse me of being overemotional about the counterintelligence service, of reproaching it. But how can I help getting upset when the Airborne Troops have been let down again, as you put it, when I am losing people? When that service worked properly, we fulfilled our tasks successfully. Today not many people know that it was thanks to the Airborne Troops that the country did not drown in blood seven years ago or five years ago, when we fulfilled a buffer role in many conflicts in various parts of the country. In Chechnya too it was assumed that we would separate the gunmen and the MVD and help to disarm the bandits.

But is it really the fault of the military that a parallel army was being set up, trained, and armed in Russia over a three-year period and that it was preparing thoroughly and at length for a war with Russia? Who but the counterintelligence service should have let the government know about this, so that it could make a decision appropriate to the situation? These are all state affairs, not Army affairs.

[Kasyanenko] Do you think that even in this situation the Chechen operation could have been conducted more successfully, with fewer losses?

[Podkolzin] I don't like questions like that, I am accustomed to answering only for myself, and I simply have no right to pass sentence on anyone. Although of course I have my personal opinion about this.

Remember the American "Desert Storm" operation. Public opinion was prepared long before. Every participant in the operation became an undoubted national hero. The troops spent six months preparing for it. Before the start, the country's President, Mr. Bush, himself came to the troops to meet with all categories of servicemen and personally wish them well. And you remember, no doubt, how the people of America greeted their soldiers after the operation. They showed it to us many times on television.

[Kasyanenko] But our president could not have followed his American colleague's example however much he wanted to: He was in hospital at the time....

[Podkolzin] That is not the point. The servicemen should have known what they could expect on their return. Press contempt, the wrath of the rights campaigners? What kind of life in general? In the Pskov Division, we buried some men who died in Chechnya. There were seven of them with no housing. Each one had a young wife, now a widow, a little son or daughter aged three or four. I asked the head of the Pskov administration to give them all apartments. They gave them three. But they don't have any more, they simply physically don't exist. Fine, so our ministry found the money and allocated it to buy apartments for the families of the other four men who were killed. That's right, don't you think?

But there were examples of a different kind in our country. Remember when the earthquake happened in Armenia, it was not only our paratroopers who went there. Former Council of Ministers Chairman Ryzhkov and former Defense Minister Yazov also went there and did everything possible.

So the first blunder, in my personal opinion, I emphasize, was the lack of the appropriate public opinion over the Chechen situation. The second factor of considerable importance is, did it make sense to start the operation in the fall, when we had just discharged well-trained and prepared soldiers into the reserve and taken on young ones? And then—what is the North Caucasus like, in terms of weather conditions, in November-January? You have five or six flying days a month. In these conditions it is impossible to send your aviation up, or if it does get off the ground it has to stay at high altitude, which of course makes it difficult to fulfill missions.

Of course, those who made the decision to carry out the operation in precisely that way and at precisely the time when it began doubtless had their own considerations on this score....

[Kasyanenko] Thank you, Yevgeniy Nikolayevich. However hard things are for us today, let us hope that we will see better days. Congratulations to you and, through you, all the paratroopers on the holiday. At a time like this it is hard for those who love their country to be happy. So just try at least to stay alive. All of you.

Russian Army Directive on Chechen Campaign Objectives

LD2202214595 Kiev UNIAR in Ukrainian 1915 GMT 22 Feb 95

[FBIS Translated Text] UNIAR has obtained the text of the following document by courtesy of the leadership of UNA-UNSD [Ukrainian National Assembly-Ukrainian National Self-Defense organization]:

DIRECTIVE

By the General Staff of the Ministry of Defense of the Russian Federation D-0043 of 15 February 1995:

1. To enhance the role of special forces and primarily electronic-warfare units. In order to reinforce the electronic-warfare regiment stationed in Mozdok, to redeploy to Chechnya analogous units from the MVO [Moscow Military District], LenVO [Leningrad Military District], and DVO [Far Eastern Military District]. To plan and effect the suppression of Chechen forces' combat control channels detected. To deprive Dudayev of all kinds of communications, isolate his headquarters, disorganize command and control, and create a new

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informational vacuum. In mountainous terrain, to practice the installation of remote-controlled portable jamming transmitters in the vicinity of the militants' bases. To effect the suppression of the satellite channel of communications, in use by Dudayev to contact the leaders of Muslim countries and Islamic organizations abroad.

2. To prepare and equip Main Intelligence Directorate special-purpose sabotage and intelligence collection groups, for them to infiltrate the rear area of Chechen formations in order to destroy the enemy's main forces and hardware, engage in combat reconnaissance, and organize acts of sabotage against transport routes and engineer installations. To stage actions in order to seize and destroy the militants' leaders. To announce that the subunits that seize Dudayev alive or dead will be awarded for his head a large sum of money, to the amount of $500,000.

3. With the onset of favorable meteorological conditions, to maximize the employment of aviation for strikes against the militants with the use of self-guidance high-precision weaponry. To destroy Dudayev's strongholds in mountainous areas and in the south of Chechnya. To demoralize the enemy with the aid of on-going air raids. To destroy transport links across mountain passes and roads. To prevent the approach of mercenaries and caravans carrying weapons from the territory of Georgia. To impose on the hostile forces the tactics that are unacceptable to them. In a number of areas, to make use of up-to-date compact infrared and remote-controlled night vision equipment and instruments. To practice the conduct of operations primarily during night hours. To lay air mines across the hostile forces' routes of retreat, blocking these routes of retreat, and totally destroying these hostile forces should they refuse to lay down their arms.

4. To launch in oblast, town, and rayon military commissariats the recruitment on contract of those who have the military experience of Afghanistan to separate subunits, excluding any possible use there of compulsory-service soldiers. To stop sending to Chechnya combined units drawn from different regiments and divisions. To send to Chechnya the second (Tamanskaya) Motorized Infantry Division and the 4th (Kantemirovskaya) Tank Division, with support units to be made available; Motorized Rifle Brigade 27-A; the 119th Paratroop Regiment; and formations and units that are capable of engaging in modern combined-arms warfare.

The soonest possible settlement of the Chechen issue is in the interests of both the Army and Russia as a whole.

[Dated] 15 February 1995.

Grachev Says Army Reforms Will Go Ahead

LD2302182095 Moscow Radiostantsiya Ekho Moskvy in Russian 1600 GMT 23 Feb 95

[FBIS Translated Text] Today is the day of the Defender of the Fatherland. President Yeltsin has issued an order declaring 23 February a public holiday. This was announced by Defense Minister Pavel Grachev. He said that the holiday will be an official day of rest as of 1996. Meanwhile, today the country, government, and parliament leaders lay wreaths at the Tomb of the Unknown Soldier by the Kremlin wall.

The president said there that as supreme commander he intended to personally control the progress of the military reform. Pavel Grachev, head of the defense department, agrees with him.

[Begin Grachev recording] Reforms will go ahead. We already have some ideas on all types of reforms, be it in the military, social, of technological sectors of the army. That is, if there is a foundation. And it is the budget that provides the foundation. If there is money, there will be reforms. If there is no money, no reforms will go ahead. Look at family life: If you do not bring money home, your life does not improve.

The second point is the drafting. If the army is fully manned, then we can have reforms. [end recording]

Military Reform Aims To Set Up Professional Army

LD2302182895 Moscow ITAR-TASS in English 1737 GMT 23 Feb 95

[By ITAR-TASS correspondent Sergey Ostanin]

[FBIS Transcribed Text] Moscow February 23 TASS—The Russian military reform aims to establish a strong, professional army which will be able to defend the country. Despite economic hardships, the army and navy are reforming with this goal in view, commanders-in- chief of four Russian Armed Services told a news conference at the Staraya Square on Thursday [23 February].

Speakers were Army Colonel-General Vladimir Semyonov (land forces), Aviation Colonel-General Petr Deynekin (the air force), Aviation Colonel-General Viktor Prudnikov (the anti-aircraft forces), and Admiral Feliks Gromov (the navy).

Both the Russian army and navy will have mobile and well- equipped units. In the course of the planned staff reduction, an optimal effective and authorized strength of troops and units will be defined, as was said at the conference.

According to the commanders-in-chief, reform concepts have been already developed for every armed service. The concepts provide for revising certain patterns of military construction, fitting troops with state-of-art weapons and equipment, and reorganizing management, communications, and military training systems.

In the speakers' view, basics of the Russian military doctrine reflect its peaceful rather than defensive nature.

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In order to defend the fatherland, it would be appropriate to equip the army not only with defensive, but also with offensive means to enable it to launch retaliatory attacks.

Nuclear Issues

Chernomyrdin on Nuclear Materials Theft, Waste

LD2302141295 Moscow ITAR-TASS in English 1348 GMT 23 Feb 95

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Transcribed Text] Moscow February 23 TASS—Russian Premier Viktor Chernomyrdin, replying to claims by Interior Minister Viktor Yerin and Nuclear Power Industry Minister Viktor Mikhaylov that not a single milligram of weapons-grade nuclear materials disappeared from nuclear facilities, noted that nuclear materials are possibly taken from appropriate Russian enterprises due to low security measures at check points of nuclear projects.

The premier made this remark after hearing Yerin's report at a cabinet meeting here on Thursday [23 February] that 80 per cent of police check points at Russian nuclear projects have no equipment registering nuclear materials.

The meeting examined operation of the Ministry of the nuclear Power Industry. Addressing the cabinet, Yerin noted that his ministry is now investigating 30 criminal cases when low-enriched nuclear materials were stolen from nuclear facilities.

This notwithstanding, the minister reiterated his earlier claims that there was not a single case of stealing arms-grade nuclear materials.

However, Chernomyrdin demanded that security measures be stiffened to protect nuclear projects and prevent thefts of radioactive materials from them.

Speaking of radiation safety issues in Russia, the premier noted that there are two acute problems now: An open radioactive waste storage in the Chelyabinsk region (Mayak enterprise) in Western Siberia and the problem of 120 outdated nuclear submarines with radioactive reactors. The submarines lay half-submerged at various naval bases.

The premier instructed his first deputy Oleg Soskovets to draft a rigid schedule for decontaminating the submarines and expressed his intention to go to Chelyabinsk in the near future to find out how nuclear waste is utilised.

Mikhaylov on Future of Nuclear Power Stations

LD2302181795 Moscow ITAR-TASS World Service in Russian 1142 GMT 23 Feb 95

[By ITAR-TASS correspondent Anna Bakina]

[FBIS Translated Text] Moscow, 23 Feb—It is planned to close the two military nuclear combines at Tomsk-7 and Krasnoyarsk-27 by the year 2000. In their place, nuclear power stations will be built that operate on material freed from dismantling nuclear weapons. Atomic Energy Minister Viktor Mikhaylov said this today at a session of the Russian Government.

He stressed that a store for radioactive material was being built at the Mayak combine (Chelyabinsk-65) and there were plans for similar facilities to be built at Krasnoyarsk-26 and in the Urals. This will take the pressure off Tomsk-7 where a great deal of waste has accumulated.

The minister said that the 121 atomic submarines that are to be decommissioned represent a particular problem. There is no money at the moment to decommission them. Government Chairman Viktor Chernomyrdin gave First Deputy Prime Minister Oleg Soskovets instructions to take this matter under control and provide financing.

Viktor Chernomyrdin noted that the construction of experimental installations for the modelling of nuclear tests was a very serious issue requiring priority financing. Such sites will be organized at Arzamas-16 and Chelyabinsk-70. Equipment worth around $5 million had already been taken there. Altogether, it was planned to spend around $50 million on this.

Viktor Mikhaylov stressed that last year Russia's nuclear armory met its obligations 100 percent. Although there was a sharp fall in state orders, payment of them was timely and met in full.

Federal Assembly

State Duma Adopts 1995 Budget on Third Reading

LD2402092095 Moscow ITAR-TASS in English 0909 GMT 24 Feb 95

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Transcribed Text] Moscow February 24 TASS—The Russian State Duma adopted on Thursday the 1995 draft budget under the third reading. 273 lawmakers voted for the document, 93 against and three abstained.

The draft budget is now to pass the fourth and the final reading in the lower chamber.

Communists Accuse Vice Premier Chubays of Slander

LD2402114095 Moscow ITAR-TASS in English 1044 GMT 24 Feb 95

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

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[FBIS Transcribed Text] Moscow February 24 TASS—Communist Aleksandr Gordeyev told the State Duma session today that Vice-Premier Anatoliy Chubays lied when declaring during his recent appearance on television that the communists were the only Duma group which voted in favour of cutting subsidies to miners.

Gordeyev, who was speaking on behalf of the communist faction in the Russian Parliament, demanded that the parliament hold a special investigation into the matter. The Duma subsequently instructed the house ethics commission to do so.

The lower house of the Russian federal legislature also voted in favour of sending a message to the Russian television and radio broadcasting company requesting airtime for the communist faction's reply to the first vice-premier.

Duma Files Complaint Over Deputy's Remarks

LD2402101395 Moscow ITAR-TASS in English 0952 GMT 24 Feb 95

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Transcribed Text] Moscow February 24 TASS—The State Duma today instructed its security committee to file a complaint to the Russian procurator-general's office in connection with the February 22 TV statements by Aleksey Vedenkin, vice-leader of Aleksandr Barkashov's "Russian National Unity" organisation.

Vedenkin stated, among other things, that he was ready to personally fire his pistol at the necks of Duma member Sergey Kovalev, the Russian human rights commissioner, and MP Sergey Yushenkov, the chairman of the Duma defence committee.

Duma Speaker Ivan Rybkin told the MPs today that the procurator-general's office was already taking measures against Vedenkin's "ghastly and man-hating" pronouncements.

The MPs also instructed the Duma legal department to file a suit to the court for informational disputes, blaming the Russian television for its recent telecast about fascism, during which Vedenkin had openly declared his intentions concerning the two Duma members.

Duma Calls For Guaranteed Funding of Space Projects

LD2302144795 Moscow ITAR-TASS in English 1419 GMT 23 GMT 23 Feb 95

[By ITAR-TASS correspondent Veronika Romanenkova]

[FBIS Transcribed Text] Moscow February 23 TASS—Duma hearings on Thursday adopted a resolution to secure adequate financing of the Russian space industry in an amount no less than one percent of the gross domestic product and specify this amount in a special, protected line in the federal budget.

Hearings also included a discussion of the use of space in Russia's geopolitical interests.

The resolution was adopted after participants in the hearings were told that the funding of space programmes in 1994 amounted to one-tenth of the 1989 spending in comparable prices, and that the financing of the military space programmes decreased ten times.

Speakers also said the production of space rocket equipment shrank by ten times, and the plan for launches was fulfilled only by 50 percent last year.

The resolution adopted at the hearings will permit to at least prevent the further worsening of the situation, if not to improve it.

Apart from economic problems, the Russian space sector is also affected by the lack of a sufficient legal framework. For example, the United States has more than 100 laws in this field, while Russia has only one.

The resolution recommends the government of the Russian Federation to work out and approve a concept of the national space policy. In addition, the Federal Assembly is urged to speed up the development and adoption of new legislative acts, including "on space activity in the field of defence and security", "on the procedure of interacting with CIS and foreign countries and international organisations in the course of performing space activity", "on commercial space activity", and "on insurance and licensing of space activity".

Regional Affairs

Kozyrev: Northern Fleet Plays Part in NATO Cooperation

LD2302171695 Moscow INTERFAX in English 1629 GMT 23 Feb 95

[By diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others; from the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MURMANSK, Feb 23 (Interfax)—The head of Russian diplomacy Andrey Kozyrev arrived in Murmansk on Wednesday [22 February] to meet with his voters and join festivities connected with Motherland's Defenders' Day. On Thursday he took part in the ceremony of hoisting St.Andrew's flag on the cruiser Admiral Kuznetsov.

However there was a breach of protocol during his visit to the Sevmorput shipyard, at whose dock the ship lay. At the entrance to the shipyard his car was blocked by workers' pickets. The picketers demanded that Kozyrev, who had been elected to the State Duma from Murmansk Region, raise a number of socio-economic issues in the government.

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He was told that workers at some facilities serving the Northern Fleet had not received their wages since December. Kozyrev was allowed to enter the shipyard only when he had promised to help resolve that problem and some other issues.

Addressing the personnel of the cruiser Admiral Kuznetsov, Kozyrev said: "The entire nation is delighted to see how Northern Fleet sailors perform their duty not only on Russia's frontiers, but also within the country (IF's note: in Chechnya)."

In answer to a question from Interfax's correspondent Kozyrev pointed to the importance of Russia's Northern Fleet. "The fleet continues to be a major strategic force of Russian global presence. It has a secure future also because it plays a diplomatic role in furthering cooperation between Russia and NATO," Kozyrev said.

Thursday afternoon the head of Russian diplomacy will join an international conference on ways to develop the offshore areas of the Barents and Kara Seas. On Friday he will visit the Severonickel plant in Monchegorsk.

Kozyrev is to return to Moscow on Saturday.

Gen Lebed Interviewed on Chechnya Policy, Candidacy

BR2402132195 Rome IL MESSAGGERO in Italian 24 Feb 95 p 15

[Interview with General Aleksandr Lebed by Rodion Morosov in Moldova; date not given: "I, the Anti-Yeltsin General"]

[FBIS Translated Text] A young and victorious general—hero of Afghanistan and pacifier of Moldova—never linked to the Communist nomenklatura, never involved in financial scandals, indeed the scourge of the corruption reigning among the top ranks of the Armed Forces and the political leadership, and, last but not least, a critic of the war in Chechnya: More than enough to explain the success of Lieutenant General Aleksandr Lebed, commander of the 14th Russian Army stationed in Moldova. A large proportion of Russians see this general as a "clean" man capable of using iron-fist tactics to fight corruption and crime, a cross between a Pinochet and a De Gaulle. The opinion polls show that if presidential elections were to be held today, Lebed would be the leading candidate.

[Morosov] Is it true, General, that you have called for Yeltsin to stand down and that you are willing to run for the presidency?

[Lebed] No, I have never said anything of the kind. These lies have been spread by the daily CHISINAU ECHO [as published], and taken up by other Russian and foreign media.

[Morosov] Be that as it may, you have openly distanced yourself from the country's political leadership.

[Lebed] The problem is that the power system has remained the same as in the old days. Russia is being governed by the same figures. All they have done is toss their Communist Party membership cards in the trash can and grasp the flags of democracy. In actual fact, they are not capable of making such changes.

[Morosov] Does this mean that you have no confidence in those currently holding power?

[Lebed] No, in none of them.

[Morosov] Not even in the president who, in his capacity as supreme commander of the Armed Forces, is also your superior?

[Lebed] Not even in the president. The former first secretary of the Sverdlovsk CPSU [Communist Party of the Soviet Union] regional committee and former secretary of the Communist Party in Moscow has nothing new to offer us. No, I am not setting my hopes on him.

[Morosov] Zhirinovskiy recently said that the situation in Russia has reached the point where, sooner or later, the military will come to power. Can the generals govern the country in your view?

[Lebed] Pinochet's example has demonstrated that they can.

[Morosov] We are talking about Russia, not Chile.

[Lebed] Everything is possible in Russia, so why not generals in power?

[Morosov] But are you in favor of the prospect?

[Lebed] Let us look at it from a different viewpoint. Are there any professional politicians in Russia? Definitely not. If we look at the composition of the Duma—the lower house of parliament—the Council of the Federation—equivalent to the Senate—and the government, we find that they are made up of people who were previously engineers, economists, financiers, teachers... So when people like that claim that yesterday's teachers and economists, but not generals, can be today's politicians, there is something wrong.

[Morosov] Your critics claim that you have all the characteristics of a future dictator.

[Lebed] The action that I take may seem—and sometimes is—tough and determined. But it is always justified, otherwise I would already have been stripped of my rank. They describe me as an authoritarian figure, but that is what a general commanding an army has to be.

[Morosov] You have openly criticized the military operation in Chechnya. Do you think that the war might spread?

[Lebed] If Russia's leaders persist in their current policy, Chechnya will just be the beginning. Personally, I do not believe constitutional order can be restored by using the air force, artillery, and tanks. In the days of the USSR,

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we sent our troops into Georgia, Azerbaijan, and Lithuania, What has become of these countries? They have all opted for independence. Now those in power are doing their level best to lose Chechnya as well.

[Morosov] How do you think a problem as acute as Chechnya can be settled?

[Lebed] Only by political means, not by force.

[Morosov] You fought in the war in Afghanistan, and you did not hesitate to use arms in Moldova. Why do you now criticize the use of force in Chechnya?

[Lebed] I am a pragmatist, not a pacifist. There is no point in thinking that national problems can be settled in this way. Sending in tanks and sedating nationalistic tension means cutting the ties that bind the provinces to the center and sowing seeds of discord that will last for decades.

[Morosov] By way of conclusion, let us go back to the first question. Are you contemplating a career in politics?

[Lebed] I have given the Army 25 years of my life, and it is a phase that I do not consider over yet.

No Confrontations in North Ossetia

LD2302224595 Moscow ITAR-TASS World Service in Russian 1521 GMT 23 Feb 95

[By ITAR-TASS correspondent Valeriy Shanayev]

[FBIS Translated Excerpt] Vladikavkaz, 23 Feb—Fortunately, the gloomy forecasts by some political commentators turned out to be wrong. They had warned of a sharp deterioration of the operational situation in Ossetian-Ingush conflict zone in connection with the 51st anniversary of the deportation of the Chechens and Ingush from the Caucasus, which is being marked today. According to military sources, the past 24 hours here passed in a relatively stable atmosphere. There were no local occurrences of armed confrontation on an interethnic basis and no attacks on army or militia checkpoints. It was also relatively calm in the four villages of Prigorodnyy Rayon, to which refugees and those forced to leave their homes are returning.

However, on the orders of Major General Georgiy Kantemirov, interior minister of North Ossetia, units of the republic's Interior Ministry were put on heightened alert. The reason for this was that, in response to appeals from some national extremists, mass visits to Moslem cemeteries were planned in villages of Prigorodnyy Rayon that could have resulted in an emergency situation.

According to the Federal Counterintelligence Service of North Ossetia, Dudayev's emissaries have entered the conflict zone on several occasions in recent days and appealed for acts of revenge in the Caucasus against Russia's federal forces, which are disarming the bandit formations in Chechnya.

Today, on Defenders of the Homeland Day, North Ossetian President Akhsarbek Galazov and members of the republic's government and parliament laid flowers at the monuments to the defenders of the homeland. [passage omitted]

An ITAR-TASS correspondent learned that Murat Bedzhanov, representative of the Ministry of Foreign Affairs of the Russian Federation, counsellor first class, began work today in the capital of the Republic of North Ossetia. In a statement for the press, he said, in part, that the Ministry of Foreign Affairs of the Russian Federation had opened a temporary office in the city of Vladikavkaz. Its main task was to coordinate the work of the representatives of the United Nations and other foreign missions that are organizing the delivery of humanitarian aid for those forced to leave their homes in the Chechen Republic.

Alleged Transcript of Dudayev Phone Call

MM2402165495 Moscow KOMSOMOLSKAYA PRAVDA in Russian 24-27 Feb 95 p 3

[Unattributed report: "Dzhokhar Dudayev: It Is My Will That the Chechens Bring Yeltsin To Groznyy Alive and Put Him on Trial There!"—first paragraph is KOMSOMOLSKAYA PRAVDA introduction]

[FBIS Translated Text] Two weeks ago we published a radio intercept of a telephone conversation between the president of Chechnya and Iskander Gamidov, Azerbaijan's former minister of internal affairs and leader of the "Boskurt" nationalist organization. This publication had a great impact. Today we have an opportunity to acquaint readers with extracts from a further radio intercept of a telephone conversation between them.

[Gamidov] Hello, is that you, Dzhokhar?

[Dudayev] Aleykum assalam.

[Gamidov] You know what that scum have been saying on television?

[Dudayev] What?

[Gamidov] They are saying that Dzhokhar Dudayev...he has no intention of leaving.

[Dudayev] I want to go on television and point a gun at them, Iskander. Let them wait for me to go....

[Gamidov] Later I found out that $500 million has been issued to the legitimate government of Chechnya, to Dzhokhar Dudayev, 500 million...thousand dollars.

[Dudayev] Who did that?

[Gamidov] Slovakia has given 250,000. Germany has issued Moscow an ultimatum that the military actions in

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Chechnya must stop immediately and that Russia must come to the negotiating table with the legitimate president of Chechnya, Dudayev.

[Dudayev] And they allocated $9 million.

[Gamidov] So you are keeping abreast of what is going on?

[Dudayev] Yes, the States has allocated 11 million.

[Gamidov] Yes, the international atmosphere is developing very favorably. I think that events are developing favorably in Dagestan now. Their representatives were here today. The most important thing is: Are you in good spirits?

[Dudayev] I am in excellent spirits. Our boys are on the offensive.

[Gamidov] I am in my neighbors' house right now, they can hear your voice, they are all smiling. All the young men here are athletes, they are staging a Dzhokhar Dudayev tournament...with a big prize for first place.

[Dudayev] I wish them success on the sports mat.

[Gamidov] I will tell them on your behalf that Dzhokhar said: May the strongest win, may only Muslims compete.

[Dudayev] This meeting alone is a victory. There is no defeat there.

[Gamidov] Precisely. Well, I will try to be with you soon. I went to the Russian outposts today. People are buying and selling everything there. Your photograph—my photograph is there too.

[Dudayev] Ha, ha, ha. Yes? Let them wait, Iskander, let them wait until Yeltsin and his bandit grouping are forced to flee, we will put Yeltsin, Shumeyko, and Rybkin on trial.

[Gamidov] And Grachev?

[Dudayev] The turn of the camp followers will come later, these three are the main culprits. I have told the Chechens that, whatever happens to me, the will of the people's court must be carried out. Just bring them alive to our motherland and try them here. I do not recognize any murders, political, nonpolitical, or criminal, just bring them here alive. No matter how long it takes - - one year, two years, three years, or 10 years—all those who have been sentenced must be brought here, the trial must be held here.

[Gamidov] Dzhokhar, I swear before Allah that I have done your bidding. I have given instructions to three people that, whatever happens to me, Yeltsin and Grachev must be executed.

[Dudayev] Yes, I could have killed them...Any Chechen could carry out a terrorist act there...only they must be brought back alive. Those criminals, the murderers of the Chechen people, must be brought here alive whether it takes 10 or 20 years, there is no statute of limitations here.

[Gamidov] At nine o'clock tomorrow the American ambassador and I will phone you. One other thing, Dzhokhar, how are you off for food over there?

[Dudayev] Fine, everything is all right here. The meat situation is fine, it is Ramadan, and we have some water and bread, everything is in order.

[Gamidov] Esambayev said: I know three good presidents in the world, Askar Akayev, Nursultan Nazarbayev, and Aliyev. I stood up and said: There is one president—Dzhokhar Dudayev. Thousands of people stood up and began clapping. The whole world is talking about nothing but Chechnya. Your television probably isn't working, is it? We try to pick up the TV programs here. Chechnya and Dzhokhar Dudayev...Have you phoned the old man (Author's Footnote—Heydar Aliyev).

[Dudayev] No, I have not phoned him yet.

[Gamidov] He has arrived.

[Dudayev] I am really angry with him. He literally betrayed us.

[Gamidov] He will regret that he instituted criminal proceedings against me.

[Dudayev] It does not matter, we will return, we will all return.

[Gamidov] Hello, Dzhokhar, give me your orders, your orders. I am waiting for your orders. I will give them to all the newspapers here without fail. Dzhokhar, do you need cartridges?

[Dudayev] We do, we need everything.

[Gamidov] What caliber? 5.45 or 7.62?

[Dudayev] Both 7.62 and 5.45. We have some at the moment, of course, but summer '95 is going to be a hot one for the enemy.

[Gamidov] I understand you, Dzhokhar, it is just that I am waiting for your order. So that I may know before my death that I am a warrior of Dzhokhar. We have the same enemy.

[Dudayev] They made winter hot for us, they are hitting us with bombs and missiles, the scumbags, using a quadrant and cluster system [kvadratno-gnezdovoy sposob], sparing no one, not even children, the bastards. That is why we also have the right to burn Russia's cities.

[Gamidov] We have a total right.

[Dudayev] They will burn and their mothers will weep—if they want war we will give it to them. In the east the Chinese are already on the move. This Moscow criminal

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grouping will be unmasked. The Russians themselves will probably strip them and string them up.

[Gamidov] A month of protest against the war in Chechnya has started in Moscow, I forgot to mention that. Do you know that Japan has issued a statement? We will take the Kuril islands from Russia by force, they said. The war in Chechnya has shown that Russia cannot fight.

[Dudayev] I tell you that the Russians themselves will probably get them and hang them. If they do not they will have a bloodbath such as we are having.

[Gamidov] Perhaps our telephone is being bugged.

[Dudayev] Well, stuff them, I will drench the children, women, and old people in blood, and I play games with them when I talk on the phone. Let them listen in. Unless they experience a bloodbath for themselves they do not understand other people's grief. That is what depraved Russia is like.

[Gamidov] But the old man turned out to be a bastard.

[Dudayev] A bastard. I got an operational report from Russia, he did a lot of bad things. The old nomenklatura has to be replaced by young people. This kind of baseness is in their blood and stems from their venality.

[Gamidov] How is our friend the young general (Author's Footnote: Ruslan Aushev).

[Dudayev] The young general is a weakling—he fights alone like Don Quixote tilting at windmills. I told him: Throw your despicable entourage out of Russia, throw them out or else they will swallow you and your people up. They wallowed in blood once and they are doing it now.

[Gamidov] Dzhokhar, I will phone you tomorrow. The ambassador and I will phone in the evening. I need you, Azerbaijan needs you, the Caucasus needs you. You are a warrior.

Helsinki Watch: Human Rights Violations in Chechnya

LD2402160295 Moscow Russian Television Network in Russian 1400 GMT 24 Feb 95

[Video report by correspondent S.Brilev; from the "Vesti" newscast]

[FBIS Translated Text] Helsinki Watch, one of the most well-known nongovernment human rights organizations in the world, today delivered its third report to journalists about the violations of human rights in Chechnya. One of the people behind the report, who has just returned from a 10-day visit to the northern Caucasus, an American, (Christopher Baniko), said the civilian population in Chechnya has become a hostage both of the federal troops and of the Chechen fighters. It follows from the report, for example, that most people being held in Stolypin waggons [reference to railcars used to send people into exile by Interior Minister Stolypin in 1906] at the screening camp in Mozdok are peaceful citizens.

Helsinki Watch also accuses Russia of violating the Geneva Convention on conduct in war. The human rights defenders have proof that there has been looting in areas which have come under the control of the federal troops, which the convention forbids. The human rights defenders link the civilian deaths and the destruction of civilian objects during the fighting in Chechnya to the fact that Russian artillery personnel did not use surveillance [razvedchiki- nablyudateli].

OMON Chief Denies Chechnya 'Atrocities'

MM2302162495 Moscow ROSSIYSKAYA GAZETA in Russian 22 Feb 95 First Edition p 2

[Interview with Militia Colonel Aleksandr Zyurikov, deputy chief of the Russian Federation MVD Main Administration for the Protection of Public Order, by Sergey Ptichkin; place and date not given: "The Force of the Law, Not the Right To Use Force. MVD Always Prepared To Examine Any Reliable Information on Instances of Lawbreaking, Including by OMON Members"]

[FBIS Translated Text] OMON [special-purpose militia detachment] actions in Chechnya are being covered in different ways, often in a bad light and extremely negatively. Meanwhile MVD [Ministry of Internal Affairs] staffers, including OMON members, are now bearing the main burden of responsibility for finally ridding the republic of armed bandit formations.

We talk to Militia Colonel Aleksandr Zyurikov, deputy chief of the Russian Federation MVD Main Administration for the Protection of Public Order, who is the country's top OMON officer and chief of the department in charge of OMON detachments, about OMON detachments' actions in Chechnya and about lies and specific facts.

[Ptichkin] Aleksandr Sergeyevich, the press frequently cites incidents of OMON "atrocities" committed on Chechen territory. To what extent do they correspond to the facts?

[Zyurikov] I can give you a short answer: They don't. We have a very strict system of mutual checks and balances, the OMON is under constant prosecutor's office supervision. Our units are open to any human rights commission or Red Cross and Red Crescent representatives. In principle no serious lawbreaking, least of all a criminal offense, can go unnoticed. But so far the MVD does not have a single documented case of "atrocities and violence" having been committed by our members against Chechnya's peaceful population.

[Ptichkin] Nonetheless...

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[Zyurikov] Nonetheless newspapers are exaggerating rumors of certain manifestations of real sadism. Just take the MOSKOVSKIY KOMSOMOLETS item "'Gunmen' and 'Peacekeepers.'"

Based on what a certain "engineer Khasan" says, the youth newspaper's correspondents vividly describe things that they did not see themselves and could not have seen. Moreover, the narration is verging on the hysterical. What exactly is MOSKOVSKIY KOMSOMOLETS making a fuss about? About how some OMON commander allegedly captured 17 people, put them in a helicopter, took them back to base, and during the flight shot almost all of them and threw them out. About how, without trial or investigation, butchers from the "Ryazan convoy" are killing those they are guarding in a "screening camp." About how conditions in the camp itself are worse than those that existed in Auschwitz: hunger, thirst, and savage torture.

I do not even want to refute this nonsense, since there is actually nothing to refute. There are no actual facts—just a horror story "according to Khasan."

No commander would think of opening fire in the air in a crowded helicopter full of people (not only Chechens!) in order to kill somebody. I think that after the very first shot the aircrew would have pushed the "gunner" out and immediately after landing would definitely have written a detailed report on the incident. Nothing of the kind happened....

There is no "Ryazan convoy" in Chechnya, neither is there a "Kazan convoy." Nobody is going to start killing people in a "screening camp" a stone's throw away from all the top staffs and the interregional prosecutor's office. Especially as the purpose of the "camps" is not to torture detainees but to keep people temporarily until their identity has been established.

Furthermore, there is a significant detail which for some reason "Khasan" forgot to mention to his Moscow correspondents. There are absolutely no screening camps in Mozdok! There are three railcars forming a reception and allocation center designed to hold 210 people at any one time.

From the end of February through 10 February a total of 304 people have passed through these reception and allocation centers, and the maximum number at any one time has not exceeded 50 people, not 270 as MOSKOVSKIY KOMSOMOLETS asserts. Of these, 130 have been released and some have been given help by the migration services. Seventy-seven people whose actions carry criminal liability have been sent to detention centers, 48 people have been exchanged for Russian Army POW's captured by Dudayev's supporters, and none of them has been cut up with knives or tortured.

Currently there are 49 people in the reception and allocation center. All of them are receiving normal food and unlimited water, and all are under round-the-clock medical supervision.

[Ptichkin] What specific facts regarding OMON activity in Chechnya could you cite?

[Zyurikov] In the last two months OMON members, jointly with servicemen, have captured and confiscated 665 machine guns and assault rifles, 105 rifles, 255 smoothbore firearms, 86 pistols, 1,670 explosive devices, 291,000 rounds of ammunition, 428 pieces of combat equipment, and 355 weapons systems, including "Grad" rocket launchers. At the same time 169 tanks and armored vehicles, 60 weapons systems, and 1,425 gunmen who put up armed resistance have been destroyed or killed. OMON losses were four killed and 211 wounded.

[Ptichkin] What tasks is the OMON now tackling in Chechnya?

[Zyurikov] The first is to finally establish law and order in this grief-stricken republic. Besides operational measures to find bandit formations and confiscate illegally possessed weapons and besides protecting transport routes and facilities of special importance, we are also carrying out real peacekeeping activities and helping to establish local law-enforcement organs.

Nadterechnyy Rayon Internal Affairs Department is at full strength. Cadre questions concerning manpower acquisition for the internal affairs organs of the republic's Naurskiy, Shelkovskiy, Urus-Martanovskiy, Groznenskiy, Shatoyskiy, and Staropromyslovskiy Rayons are being tackled....

Military Disciplining Thieving Troops in Groznyy

LD2402172495 Moscow INTERFAX in English 1358 GMT 24 Feb 95

[FBIS Transcribed Text] Moscow, Feb 24 (INTERFAX)—Military prosecutors in Groznyy have instituted proceedings against Russian servicemen involved in seven incidents of criminal activity against the civilian population in the Chechen capital, Deputy Chief Military Prosecutor Stanislav Gaveto told Interfax Friday. He is back in Moscow after a two-week business trip to the region of conflict.

Gaveto said the crimes "have so far been qualified as theft, robbery and looting" though some of them "can be requalified as misappropriation of finds later".

Other criminal charges include "negligent handling of weapons leading to a serviceman's death or injury" and "road accidents". Gaveto said the Chief Military Prosecutor's Office was handling all criminal offences committed by soldiers or members of the security forces in Grozny.

Legal Aspects of Chechnya Aftermath Viewed

MM2402080095 Moscow ROSSIYSKAYA GAZETA in Russian 23 Feb 95 p 2

[Interview with Oleg Gaydanov, Russian Federation deputy general prosecutor, by unidentified correspondent; place and date not given: "Three Years Without the Law. How Can the True Validity of Russian Laws Be Ensured in Chechnya?"]

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[FBIS Translated Text] The military part of the operation to establish the validity of the Russian Constitution in Chechnya can be considered for the most part concluded. As can already be seen, an equally difficult (and in certain respects more difficult) phase awaits us. We have to ensure the real validity of the Russian law in a place where for three years there were no laws in operation at all except for the law of the strongest and tribal customs. A great deal, not just in the Chechen Republic but throughout the Russian Federation, will depend on how the law enforcement organs are able to settle the difficult problems and what methods they use. In this connection we asked Oleg Gaydanov, Russian Federation deputy general prosecutor, to answer a few questions.

[ROSSIYSKAYA GAZETA] Oleg Ivanovich, military operations have swept over Chechnya. But no war, as we know, can be declared within a state, and no state of emergency has been introduced either. So what is the legal status of the Chechens taken prisoner during the fighting, what are they being charged with, and how are investigations and legal proceedings being conducted in these conditions? Do international conventions on the treatment of prisoners of war extend to them?

[Gaydanov] In its assessment of the legal side of the conflict, the General Prosecutor's Office is guided by the Russian Federation Constitution as well as by decisions of the supreme organs of Russian state power—the Federal Assembly, the government, and the president. They have all confirmed that the Chechen Republic is an inalienable part of the Russian Federation. This has also been recognized by the entire world community, incidentally, and no one is disputing the fact of our history and politics.

Thus we are obliged to view both the actions taken by officials and the actions taken by the armed formations in the light of Russian laws. And if the law determines these actions to be crimes against the individual, against property, against constitutional order, or as armed resistance to the representatives of federal power, then we must grade them according to the relevant articles of the Russian Federation Penal Code. Every specific case, and I would like to stress this, requires a separate investigation. As far as civil rights are concerned, they are protected insofar as our criminal legislation agrees with international conventions on this subject.

A number of criminal cases have already been instituted in relation to events in Chechnya, and an investigation is going on. Criminal cases concerning the well-known events in Chechnya between the fall of 1991 and the winter of 1992 have also been resumed. When General Dudayev's regime seized power in the republic—despite the Constitution in effect at the time and despite the normative acts regulating the formation of new state structures—that made it impossible for the federal organs authorized to do so to conduct any investigations. We were forced to suspend cases which were instituted in respect of cases of brutal killings, torture, and robbery of citizens' property and health. Furthermore, it was not only Russian speakers but also Chechens and representatives of other nationalities opposed to Dudayev who suffered. Now possibilities have emerged to investigate these mass crimes properly and punish the culprits.

[ROSSIYSKAYA GAZETA] Who is conducting these investigations?

[Gaydanov] Mainly the General Prosecutor's Office Investigation Administration. The Caucasus Interregional Prosecutor's Office has been entrusted with some of the cases, and the Main Military Prosecutor's Office with others.

Undoubtedly the main task now is to disarm the illegal armed formations on the territory of Chechnya and confiscate the weapons. The whereabouts of all the people who for three or four years now have been under all-Russian investigation for committing serious crimes in various parts of the Federation must be established and they must be arrested.

By an order of the Russian Federation general prosecutor a Chechen Republic Prosecutor's Office in Russia has been set up and has already started carrying out its tasks. Appropriate decisions have been adopted both by the Ministry of Internal Affairs and by the Federal Counterintelligence Service. The government has instructed its main departments to create territorial subdepartments in Chechnya—including the Ministry of Health, the Ministry of Social Security, and other ministries. People have been appointed and are already setting up the relevant apparatus. They will all operate strictly within the framework of constitutional powers.

[ROSSIYSKAYA GAZETA] But Oleg Ivanovich, how will the system work in today's Chechnya? How, for example, can the disarmament problem be resolved if practically all men are armed, even the boys, and on top of that there is a multitude of weapons dumps and caches, weapons supplies from abroad have been established, with the diaspora prepared to pay for it, and if the entire sympathetic Muslim world is standing behind the backs of the gunmen?

Or take another thing—for three years it was not just that the Russian law was not in operation in the republic. Other norms of life, possibly more in keeping with the national mentality of the Chechens than the products of the activity of the State Duma and all the preceding Moscow legislators, were in effect....

[Gaydanov] I would not agree with the latter—about the mentality. I have been in Chechnya and met with a lot of inhabitants, including both the former leaders and those who are going to lay claim to power in the post-Dudayev period. Yes, a small group of people—Dudayev's tribe—have been exposed to these views, but that is most likely because of the circumstances in which they have found themselves rather than because of any particular mentality.

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The majority thinks otherwise. One man said to me: "It will be very difficult. But my people need real, strong laws and not the tyranny of bandits." And I believe that.

As for disarmament, it is vital to the Chechens themselves. A lot of them were forced to acquire and carry weapons under threat of repressions. These people understand that you cannot live on a powder keg. They are prepared to give up their weapons if order is ensured and people start being protected by the law rather than by the assault rifle.

[ROSSIYSKAYA GAZETA] What does the prosecutor's office intend to do in cases like the bombardment of residential areas of Groznyy, or looting?

[Gaydanov] Cases of the use of heavy equipment and aviation, as well as information about exceeding the powers granted—all this is being checked by the military prosecutor's office. A Groznyy garrison prosecutor's office has been set up and is in operation. Everything that is confirmed will be the subject of a legal response. Aleksey Nikolayevich Ilyushenko, for example, has already instituted criminal proceedings as regards the cases of masses of weapons being left in Chechnya when the Soviet Army left. Someone will have to be fully answerable for this.

We intend to conduct a most profound investigation in this sphere. If need be, department leaders and government members will have to be questioned, and a lot of Army and state officials will have to give evidence. A multitude of documents will have to be examined. And the most delicate aspects of this story will have to be clarified. This is work of great public importance.

[ROSSIYSKAYA GAZETA] Does the president support this work?

[Gaydanov] I hope that he will do so. We are counting on the support of the president and his apparatus. In this respect we are pinning great hopes on Dudayev's archives, which promise to be very fruitful.

[ROSSIYSKAYA GAZETA] Might it not turn out that they have been destroyed?

[Gaydanov] Let us put it this way: At the moment we do not have them at our disposal, but we are sure that we will get hold of them. Then a lot of things will be clarified—the famous false letters of advice, for example, which provided Dudayev with hundreds of billions of Russian rubles with which to buy weapons and to bribe many Russian officials. Essentially, these formed one of the main channels for the funding of the Dudayev regime.

[ROSSIYSKAYA GAZETA] What do you think about Dudayev's possible retaliatory measures against Moscow and other Russian cities?

[Gaydanov] I am sure that these are impossible. All the necessary measures have been taken. There have been many discussions, and the intentions in the Dudayev entourage are also entirely serious, indeed they have possibly managed to achieve something—the bombs going off in Moscow at the beginning of January, for example, bear obvious "Chechen signs." But we have drawn the necessary conclusions. I can assure you that the president and the government take the threats issuing from Groznyy very seriously. Everything we have come up against in Chechnya testifies that it is better to overestimate than to underestimate them.

Military Level of Talks in Chechnya 'Exhausted'

LD2302024595 Moscow Radiostantsiya Ekho Moskvy in Russian 0100 GMT 23 Feb 95

[FBIS Translated Text] In a telephone conversation with Ingushetia President Ruslan Aushev, Russian Prime Minister Viktor Chernomyrdin stated that the stage of talks in Chechnya at the level of the military has exhausted itself. He confirmed the Russian leadership's readiness for political talks and said that initially Nikolay Semenov, head of the territorial administration of the federal organs of government in Chechnya, will deal with such talks.

General on Successes Against Dudayev's Fighters

LD2302200995 Moscow Ostankino Television First Channel Network in Russian 1800 GMT 23 Feb 95

[Report by correspondent Grigoriy Brynza from the "Vremya" newscast]

[FBIS Translated Text] [Brynza] Three rayons of the Chechen capital—Chernorechye, Aldy, and Novopromyslovskiy—are daily subjected to massive air strikes and heavy artillery fire. For now they are under the control of Dzhokhar Dudayev's fighters.

[Begin General I. Rybakov recording, commandant of the city of Groznyy] Individual groups of fighters that have penetrated [our lines] in the guise of refugees are collecting weapons they left here and attacking troop details and militia subunits. [end recording]

[Brynza] General Rybakov also said that more than 10 pieces of armor and Grad rocket launchers belonging to Dudayev's formations were destroyed during an operation a few days ago. Furthermore, Russian subunits had blocked off the city in the south, and Groznyy was now cut off from Urus-Martanovskiy and Shalinskiy rayons from which fighters were receiving supplies of arms and food. The powerful counterattack promised by Dudayev that was planned for today did not take place. Nor did we see the banner of the Chechen Republic over the presidential palace—Dudayev had promised to make a present of the same to the Russian troops on Defenders of the Fatherland Day.

In the meantime, a memorial to Russian soldiers was opened in front of the airport link station in Groznyy today. The fir trees in this little square and the sight of grieving mothers will remind us all again and again of

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those young Russian fellows who died in Chechnya while restoring constitutional order.

'Tense' Situation Reported in Groznyy

LD2302191495 Moscow ITAR-TASS in English 1849 GMT 23 Feb 95

[FBIS Transcribed Text] Moscow February 23 TASS—The Russian Government's press service issued on Thursday [23 February] a report on the current situation in Chechnya. The report reads as follows:

"According to the Mobile Information Centre, the situation in Groznyy remained tense over the past twenty-four hours. At night, positions and areas of temporary deployment of federal troops were subjected to recurring fire by snipers and sparse groups of militants. No casualties have been registered. The situation in the city is under control.

"From December 12, 1994, to February 23, 1995, some 3,700 tons of foodstuffs and other basic goods, as well as 54.4 tons of medications were delivered to Chechnya. Distributed among local residents were 2,300 tons of foodstuffs, including about 1,000 tons in Groznyy.

"The entire population of Groznyy currently totals some 150,000 people. A monument to fighters fallen in the battles to liberate the city was unveiled today near the Severny airport. The opening ceremony was timed to mark Motherland Defenders' Day. It was attended by Commander of the United Grouping of Federal Troops Anatoliy Kulikov.

"Yesterday, representatives of the Russian Army Group in the Chechen Republic met leaders of Chechnya's mountainous clans in the settlement of Tolstoy Yurt. Chechen eldermen moved proposals as to how improve coordination between federal structures currently formed in Chechnya and bodies of local government, as well as how to pool efforts with a view to restore law and order in the republic. The Chechen delegation reported that Dudayev was gradually losing support from mountainous villagers, while the opposition played an increasing role and various groups of fighters lacked mutual understanding."

Sources Confirm 30,000 Civilian Casualties in Chechnya

LD2402100395 Moscow ITAR-TASS in English 0952 GMT 24 Feb 95

[By ITAR-TASS correspondent Nikolay Styzhkin]

[FBIS Transcribed Text] Stavropol February 24 TASS—The number of Chechen war civilian casualties, indicated by Sergey Kovalev, the human rights commissioner of the Russian Federation, have been indirectly confirmed by two separate sources in Stavropol territory (southern Russia). Kovalev had claimed that 24,500 civilians were killed in the course of the conflict.

Stavropol Cossack chief Viktor Sharkov told ITAR-TASS, referring to information received from Cossacks permanently residing in Chechnya, that "not less than 30,000 civilians" were killed during the conflict.

Kharon Deniev, chairman of the Vaynakh cultural centre, which unites the Chechens and Ingushs permanently residing in Stavropol territory, has also claimed in the Stavropol press that the number of civilian casualties in Chechnya added up to 30,000.

'Armored Technology' Redeployed Southwest of Groznyy

LD2402130995 Moscow INTERFAX in English 1149 GMT 24 Feb 95

[FBIS Transcribed Text] GROZNYY, Feb 24 (Interfax)—On Friday [24 February] morning Russian armored technology was being redeployed in the south-western approaches to Groznyy.

An Interfax correspondent reports that a convoy of approximately ten Russian armored vehicles deployed along the Rostov-Baku route advanced in the direction of the Urus-Martan settlement. Most people in this settlement oppose Dzhokhar Dudayev.

A spokesman for the headquarters of the Chechen volunteers in the village of Alkhan-Yurt, situated opposite the Rostov-Baku route, told Interfax that Russian troops are likely to make an attempt to expand the zone of control over the highway.

At the moment several dozen units of Russian armored technology, positioned in an open field, keep under fire the section of the highway which leads to south-western suburbs of Groznyy, which are under the control of Chechen volunteers. The correspondent reports that on Thursday, during the day, the Russian side set on fire two trucks which attempted to break into the suburbs of Groznyy.

The Russian armored technology positioned near the highway has been inaccessible for four days for effective anti-tank means of the Chechen volunteers, because the entire open space around tanks is under Russian fire cover.

Russian shelling of south-western suburbs of Groznyy, started last night, subsided only by Friday morning.

Nevertheless, the shelling and fire exchange in the vicinity of the villages of Kulary and Alkhan-Kala (15 kilometers to the west of Groznyy) continued earlier in the day on Friday. According to preliminary information, later in the day on Thursday, federal troops dealt a blow from jet installations against the settlement of Bamut, which borders on Ingushetia. Concentrated in it, according to the Russian side, are up to 1,500 Chechen volunteers.

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Chechens Stage 'Provocations' Against Federal Troops

LD2402130095 Moscow INTERFAX in English 1221 GMT 24 Feb 95

[FBIS Transcribed Text] Moscow, Feb 24 (INTERFAX)—The deputy commander of Russia's Interior Ministry troops Lieutenant-General Stanislav Kavun has said that militants in Chechnya staged a number of provocations on the line of engagement with federal troops.

He said that Dudayev's supporters attacked with mortar-fire the command posts of the Pyatigorsk and Krasnodar divisions. As a result of the attack two servicemen were killed and two others injured.

Kavun also said that in the area of the Novy Sharoy community a group of militants supported by an armored personnel carrier tried to break through federal troops' lines on Friday morning. "Heavy losses were inflicted on the militants," he said.

Kavun said that Dudayev's promise that February 23 would be one hell of a night for federal troops were groundless. "Yesterday's events showed that Dudayev has no significant forces", Kavun said.

He recalled that illegal armed formations could gather 100 militants for the attack on Groznyy on February 23.

General: Use of Armed Force in Chechnya 'Justified'

LD2402145695 Moscow INTERFAX in English 1358 GMT 24 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 24 (Interfax)—Chief of the General Staff of the Russian Armed Forces Mikhail Kolesnikov backed the idea to use federal forces to restore constitutional order in Chechnya.

"When one speaks about the integrity of our state, the utilization of armed forces is politically justified and in this situation it was just necessary," he declared at the meeting with military attaches of several foreign embassies in Moscow Friday [24 February].

The Defense Ministry's Information and Press Department reported to Interfax that the day before Kolesnikov returned from a working trip to Chechnya, and re-told representatives of the military-diplomatic corps of the critical economic and military-political situation in this region.

Speaking about the military operations in Chechnya, Kolesnikov declared that "the Defense Ministry and the General Staff have fulfilled the political decision adopted by the Russian leadership." In his statement Kolesnikov pointed to "a high moral spirit and the courage of the Russian warriors who have fulfilled the tasks facing them under the most difficult conditions."

Lieutenant General Lev Rokhlin, commander of one of the groupings which acted in Chechnya, attended the meeting.

Russian Commander: Dudayev Has Limited Influence

LD2402144495 Moscow INTERFAX in English 1358 GMT 24 Feb 95

[FBIS Transcribed Text] MOSCOW, Feb 24 (Interfax)—Dzhokhar Dudayev does not yet possess all the power in Chechnya, and has no influence on many groupings of fighters, declared the deputy commander of Russia's Interior Forces Lieutenant General Stanislav Kavun. In an interview with Interfax Friday [24 February] he said that fighters have violated the agreements on a truce which were reached at the negotiations with chief of headquarters of Dudayev's formations Aslan Maskhadov.

In Kavun's words, the Russian command made three attempts to exchange captives and to hand over corpses of fighters to the Chechen party but it became impossible because "several field commanders have not stopped combat operations."

Referring to the Chechen archive documents captured by the federal forces, Kavun reported that Dudayev planned to mobilize about 300,000 people. "However, he managed to gather only about 30,000 fighters; 10,000-15,000 of them are well-trained and armed," he said.

Kavun indicated that the character of the last fights with the illegal armed formations demonstrates that "Dudayev has no substantial forces to wage hostilities." He also expressed the conviction that "there will not be that partisan war about which Dudayev loudly declared, though they will undoubtedly conduct terrorist acts."

"As a witness of the events in Chechnya I can say that ordinary people, primarily the Chechens, are sick and tired of anarchy and banditry which have reigned on their territory and they are ready to return to peaceful life at any moment," Kavun said.

Economic Issues

Yeltsin Signs 50 Percent Cut in Corporate Tax

LD2402103095 Moscow ITAR-TASS in English 1022 GMT 24 Feb 95

[FBIS Transcribed Text] Moscow February 24 BUSINESS-TASS—Russian President Boris Yeltsin today signed the federal law which reduces by half, from 3 to 1.5 percent the rate of the special tax levied on enterprises, organizations and offices.

The law will take effect from April 1, 1995.

The law is designed to provide financial support of the most important sectors of the national economy of the Russian Federation and ensure their stable functioning.

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The law provides for the complete abolition of the special corporate tax from January 1, 1995.

Yasin: Government Not Planning Fixed Exchange Rate

LD2302230795 Moscow ITAR-TASS World Service in Russian 1745 GMT 23 Feb 95

[By BUSINESS-TASS correspondent Aleksandr Samozhnev]

[FBIS Translated Text] Moscow, 23 Feb—The Russian Government is not going to fix the ruble's exchange rate, Economics Minister Yevgeniy Yasin said at a news conference today. "I state that quite officially," he stressed.

According to Yasin, it may be possible only if some success is achieved with stabilizing the economy—specifically, if inflation is brought down and the requisite foreign currency reserves are created. Only in those circumstances will the government and the Central Bank be able to commit themselves to maintaining the exchange rate at a stable, defined level.

In fact, the ruble rate may fluctuate within certain limits, but the buying and selling of foreign currency will most certainly not be restricted, the minister pointed out. Everyone will have the right to buy and sell just as happens now. However, the state undertakes to maintain that rate through currency interventions, money market operations, through state bonds, and so on. Only in that sense can one talk of any kind of fixing or, more precisely, of stabilizing the ruble's exchange rate, Yasin said.

Yasin Sees Inflation as 'Main Difficulty'

MM2402083695 Moscow TRUD in Russian 24 Feb 95 p 2

[Interview with Russian Federation Economy Minister Yevgeniy Yasin by Andrey Nemayskiy of IMA-PRESS, "specially for TRUD"; place and date not given: "Yevgeniy Yasin: The State Supports Russian Investors"—first paragraph is introduction]

[FBIS Translated Text] A few years ago the decline in production was spoken of as a sad but inevitable, albeit temporary, feature of the transitional period. However, in some sectors it quickly acquired a wholesale character. What is the real situation in the sphere of Russian production today? The conversation with Russian Federation Economy Minister Yevgeniy Yasin began with this question.

[Yasin] Relative normalization began roughly in April of last year. The first statement to this effect was made by President B. Yeltsin—it was in May, I think, that he stated that production would stabilize in June-July. At the time no one believed him. On the contrary, it was said that the president and the government were gazing through rose-tinted spectacles. But in June-July production did indeed stabilize. Some growth was recorded in the fall months, even allowing for so-called seasonal factors. In January of this year the volume of industrial production constituted 96 percent of the volume of production in January 1994, whereas January 1994 saw a 16-percent fall by comparison with the previous year. In February the situation is so far a little better than in January.

[Nemayskiy] But inflation is also so far "better" than last year.

[Yasin] From September onward trends in the inflation sphere were reversed. Inflation went up. And it can be said we are beginning to lose the rudimentary signs of stabilization which emerged last summer.

[Nemayskiy] What difficulties await industrial enterprises in the next few months?

[Yasin] The main difficulty is inflation. In January it stood at 17 percent. But I think that there we reached the crest of the inflationary wave which rose in the wake of "Black Tuesday." We expect it to decrease. And enterprises not tied to the budget will be the first to experience a revival in production.

[Nemayskiy) What about budget-funded enterprises?

[Yasin] The federal budget is very tight. Appropriations have been reduced in many areas by comparison with 1994. For example, the level of state centralized investments in 1994 constitutes only one-third of the planned amount, and little more than half of the state appropriations that were actually allocated last year. Consequently, enterprises which are directly or indirectly oriented toward the budget will be in a more difficult position. They must seek new consumers for their products. The degree to which we will observe stabilization depends on how much dependency on the federal budget decreases.

[Nemayskiy] How far can the investment expectations of our industrial enterprises be justified?

Enthusiasm for investment was especially strong last July and August. At that time inflation had fallen, and a process of transformation was recorded in accumulations in investment. But in the fall investment activity cooled somewhat—because of the jump in inflation. With the reduction in the inflation rate investment activity should revive. This process is also impeded by the high risks—risks connected with our institutions and our procedures. We expect an increase in investment activity from the middle of this year.

[Nemayskiy] Can you assist this in any way?

[Yasin] The Ministry of the Economy will make efforts to stimulate investments. We have set aside a certain reserve fund. We will use this in accordance with the president's edict on private investments as the additional 20 percent to add to the 80 percent of funds which

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will be mustered by private investors, including the privatized enterprises. We will allocate money for high-efficiency projects with a recoupment period of not more than two years. We will try to increase the influx of foreign investments.

[Nemayskiy] How serious can the participation of Russian investors be—not so much that of the banks as that of financial companies attracting funds from the population?

[Yasin] Representatives of "Russian Real Estate" came to see me recently. This is a provincial company from Volgograd. The climate in that city is perhaps somewhat special—many major commercial enterprises have sprung up there. The entrepreneurs assured me of their respectability and their intention to invest funds in industrial production and to work energetically, and at the same time carefully, not exposing investors' funds to excessive risks. I told them: We are committed to the activity of such companies; we will assist them. But on the following conditions: openness, the publication of balance sheets, and the offer of real dividends, not such high ones as can only be obtained via a pyramid structure. On these principles we are prepared to support such companies.

[Nemayskiy] One of the fears of investors is that they entrust money to a firm, but the state decides to "settle scores" with it. To what extent are the state and the financial companies competitors in the money market?

[Yasin] I can repeat: Serious private companies can count on state support. We by no means intend to "run them down" if I can put it like that. We believe that they are absolutely essential in the infrastructure of the financial market. And state capital investments will not enter into competition with the activity of such companies or banks. Rivalry with us—with the state—will be in the money market, where both the state and these companies will place their securities. But even here the possibilities of our market are considerable.

Today savings in our country constitute 22 percent of family income. This is quite a respectable indicator. More than half of these savings are converted into foreign capital. In this way the population lends credit not to the Russian economy but to the U.S. Treasury. Our task is to make ruble savings more attractive. This is one of the key problems of 1995. We must persuade Russians to convert at least some of the $20-25 billion which our people currently possess into rubles. But this is already being interpreted incorrectly—it is being said that the economy minister intends to take away the population's money. Nothing of the sort. The question is of attracting this money on profitable principles.

'Black' Cash Blamed for Budget Deficit

MM2302144995 Moscow ROSSIYSKAYA GAZETA in Russian 22 Feb 95 p 2

[Article by Vladimir Kucherenko: "'Black' Cash Has Done for Us. How Did We Get a Budget Deficit of 70 Trillion?"]

[FBIS Translated Text] The policy of highly rigorous budget economies is already hurting society. Because of the shortage of money, parliament's attempts to increase the minimum wage and adopt a law on the restoration of "pre-reform savings." Miners, the Army, the defense industry, and agriculture are demanding money. But there is not enough.

Why is the budget deficit so big?

The first reason is the rampant semi-criminal circulation of cash in the country, which makes it possible to completely avoid paying taxes.

Have you ever paid for something you have bought not with cash, but by check or on a magnetic credit card? Me neither. Yet that makes it possible to keep a complete account of money flows and makes it impossible for money to be hidden away.

"Adopt effective measures to reduce cash in circulation in the shortest possible time..." is what it says in the report of the State Tax Service to the government, 8 December 1994. "The trend toward the development of cash circulation outside banks is causing concern. A factor promoting a sharp increase in this trend has been the stepping up of the activity, on the financial market, of companies like the 'MMM' joint-stock company, the 'RDS' limited company, 'Russkaya Nedvizhimost,' 'Khoper-Invest,' etc., which takes significant sums out of the sphere of taxation..." S. Almazov, director of the Tax Police Department, writes.

But cash does not only come in rubles. A. Sedov, first deputy leader of the Federal Service for Currency and Export Controls, reports to the premier: "...It is necessary particularly to highlight the situation on the market regarding hard-currency cash.... Net imports...totaled $17 billion in the last 12 months (to 8 December 1994—V.K.). This fact is indirect evidence that the parallel circulation of foreign currency and rubles on the domestic market is continuing to gain strength and that a sphere of accounting is developing outside economic legislation, using cash payments in freely convertible currency."

Sedov considers it impermissible that imports and exports of foreign currency by our commercial banks are totally unrestricted; the purposes for which it is bought and the channels of circulation within the country are not controlled. A strict regime and accounting of the importation and exportation of freely convertible currency by private individuals must be introduced and a system of checking banks' transactions in freely convertible currency must be established.

According to some estimates, in Moscow alone nontaxable cash circulation among criminal organizations accounts for half the income side of the federal budget. There are documents indicating how, at the time of the exchange of bank notes in 1993, completely unknown

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limited partnerships submitted requests to exchange cash in sums of between half and one-and-a-half trillion rubles [R]!

In view of this, we should not be surprised if our feeble tax services are afraid of getting involved in the affairs of such organizations (they might simply "remove" you without trace), preferring to fleece ordinary plants and factories. From which there is nothing to take anymore. That is why taxes have to be kept at excessively high levels.

In addition to the rampant "black" cash circulation and crime, there is the uncontrolled, autocratic activity of regional administrations within the framework of the pseudo-"federalism" and "autonomy of Russian Federation components." All this, taken together, forms a dangerously explosive mixture.

"The practice of commercial structures creating their own banks, specially designed for 'machinations to conceal illegal profits,' has become widespread," in the view of S. Almazov, chief of the Tax Police Department. "...Efforts are being made by a number of banks to seek the patronage of the organs of power and administration, especially at local level. This takes the form of granting credits at privileged rates...and jobs and posts in banks to close relatives of representatives of the organs of power..., selling them apartments and garages, building dachas, paying expenses for foreign trips, issuing free shares, etc. Such cases have been uncovered, for instance, in Lipetsk and Yaroslavl Oblasts. All this promotes the growth of corruption, which is not only an economic but also a political threat."

And now the banks, according to Almazov, are beginning to hold back payments into the budget, using them either to "play" the currency exchange, or as credits for quick speculations. This "business" is far more advantageous to them than troublesome, long- term investments in production. Moreover they have an interest in high interest on credits—it means all the more profit from a quick "play" with the money. But high-cost credit is disastrous to production. And—paradoxically!—the state borrows money from these same banks at huge interest rates to patch the holes in the budget!

The attention of the banks, provincial princelings, and "new Russians" is particularly focused on the "gold seam" of exporting our goods so that the money stays over there. Privatized plants, oil wells, and pipelines are being worked until they wear out completely—nobody is investing anything in them, the money is not coming back in, and this is one of the channels through which budget income is lost.

"A system of deals on the raw materials market...has become established," S. Almazov believes. The crux is this: Our specialized exporters sell goods to foreign firms or joint ventures established by themselves. The currency revenue is sent abroad. There, import goods are purchased without the payment of convertible currency into the accounts of the authorized banks, the currency accounts of indirectly associated organizations are paid off, and there are large-scale "sponsorship" payments for unspecified purposes. There have been cases of the issuing of credits to foreign firms and paying for vouchers in hard currency.

A. Sedov, deputy leader of the Federal Service for Currency and Export Controls, also notes the machinations in foreign trade, artificially low prices and deals, etc. He sets the annual losses from sending currency to the West at $10-12 billion per year. Or R36-40 trillion:

"Very dangerous criminal tendencies have already become established in the economy; they are operating and will operate under any system of taxation unless-...tough law-enforcement measures are set up to counteract them," we read in the tax police report. "Among the most criminogenic zones...as of today are the banking and credit-finance spheres.... We are seeing a process of the growth of banking and commercial structures on a criminal footing...violations of tax legislation were uncovered in 152 of 261 commercial banks covered by inspection (70.3 percent)."

The tax police also noted that organized crime is making tax evasion a mass phenomenon in a number of regions, for instance the North Caucasus and the Urals. More than 1,500 materials relating to links between various enterprises and organized crime have been received. Especially in the fast-profit trade and purchasing sphere.

"...The influence of criminal organizations extends not only to the sphere of small business, but is increasingly penetrating strategically important sectors that determine the economy of entire regions. Such groupings, having a single leadership linked to the criminal milieu through their founders, will have a real possibility of exposing the confidential nature of tax police inspections and coordinating their actions to exert active pressure and resistance to the work of the tax bodies," S. Almazov's report declares.

He is echoed by V. Gusev, chief of the State Tax Service: "The problem of manning state tax inspectorates is becoming more acute because of the unsatisfactory provision of housing, low wages, and increasingly frequent instances of attacks on tax bodies' staffers by criminal elements. More than 140 such cases were recorded in 1994—50 percent more than in 1993."

Therefore today we should together give thought to tough, urgent actions to impose order and control and to strengthen statehood. So as to be able to reduce taxes but collect them from everyone. So that every treasury ruble is accounted for and is used strictly for the proper purpose.

Latsis On Signs That Slump May Have Stopped

MM2202170395 Moscow IZVESTIYA in Russian 22 Feb 95 p 2

[Commentary by Otto Latsis: "Russian Economy Tired of Falling"]

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[FBIS Translated Text] The current report from the Russian Federation State Committee for Statistics on Russia's socioeconomic situation in January provides the most reliable opportunity so far to assess the course of economic stabilization.

Economists take a cautious view of statistics showing a change in the production volumes for any given month against the previous month: Such changes are only too susceptible to the influence of random factors. That is why they were in no hurry to regard the quite steady level of industrial production from the second through the fourth quarter of 1994 as evidence of overall stabilization. The indicators of a given month compared with the corresponding month in the previous year are a different matter, while changes (or a lack of change) over a whole year are far more convincing. The "January to January" correlation is surely especially indicative. Let us recall that January 1994's figure was 78.5 percent of January 1993's figure, while the figure for the past year as a whole was 79 percent of the 1993 figure. And if we assess the results for January 1995 we will see that industrial output was 99.3 percent of the figure for January last year.

Clearly it is best to take this information as a fact without exaggerating or playing down its significance. No one can guarantee that the slump will not resume in the near future, but nevertheless this is the longest period throughout the reforms that it has been at a standstill and the slump can hardly deepen considerably from the present level. Nor should we attribute the fact that the slump has stopped to the direct influence of the authorities' current measures. Most likely this is due to the spontaneous effect of the market atmosphere: The types of production which ought to have died out because their output was no longer needed have died out and those types which have survived the past three difficult years without direct state support are clearly going to be viable. If the slump has not bottomed out yet, that point cannot be far off.

Here are some more statistics for "January 1995 compared with January 1994": GDP is down by 4 percent, retail commodity turnover remained at its previous level, exports and imports rose a little in conditions of a continuing trade surplus ($0.5 billion), the consumer price index was 315 percent, and the unemployment figure rose by 25.6 percent to 5.4 million (the official registered unemployment figure is 1.7 million). Nominal average pay per worker was 334,000 rubles [R], which is almost 2.5 times higher than a year ago. Because nominal pay is rising more slowly than prices, real pay fell over the year. But real disposable cash incomes rose 22 percent because incomes from property, entrepreneurial activity, and so forth rose at a preferential rate.

From the viewpoint of structural changes, perhaps the most indicative factor is what is happening in the agro-industrial complex. Take, for example, the glaring lack of consistency. Sales of livestock and poultry for slaughter fell by only 12 percent whereas the production of meat after processing fell by 32 percent and sausage production was down by 18 percent. The situation in milk production is the same: Gross milk output fell by 13 percent, whereas the food industry has recorded a 24 percent reduction in wholemilk output and butter production is down by 35 percent. The explanation is provided by the distribution of output according to types of farms. Agricultural enterprises reduced the sale of livestock for slaughter by 20 percent, farms owned by the population increased their volume by 0.2 percent, and private farms increased theirs by 19 percent. Gross milk yields at agricultural enterprises fell by 19 percent, while on farms owned by the population output was up 3 percent and on private farms it was up 10 percent.

It is clear that farms owned by the population are producing output primarily for their own family consumption or for sale in the market in unprocessed form. Compared with agricultural enterprises, private farms are sending relatively less livestock output for processing. Meanwhile the proportion of meat produced on the population's farms rose from 36 percent in January 1994 to 41 percent in January 1995 while the production of milk rose from 34 percent to 39 percent respectively and egg production rose from 26 percent to 28 percent. The state statistics provide bear silent witness to the fact that even after the transformation of collective farms from kolkhozes and sovkhozes into new types of organization, many of them are still losing out in the competition with family-run and privately owned farms.

Another point about structure. At large and medium industrial enterprises (their statistics are somewhat different from those for industry as a whole), the volume of output compared with January last year fell by only 1.2 percent, that is, it was close to stable. And in ferrous metallurgy production over the year rose by 5.4 percent and in the chemical and petrochemical industry it was up by 8.3 percent. It is well known that these sectors are still working quite steadily for the export market and they are being aided by the low ruble exchange rate. Machine building output was 19.6 percent higher than a year ago. This abrupt surge (let us hope that it is the start of something) is from a very low level after a deep slump. Clearly the growth in output is evidence that the crisis is sales is beginning to be overcome. But it is clearly not stable yet: Compared with December last year production fell in January. Finally food industry production was 14.8 percent lower than a year ago while light industry output was down by 35.9 percent. These sectors are under the greatest pressure from imports.

Lapshin Details Agrarian Party Positions

954F1432A Moscow LITERATURNAYA GAZETA in Russian No 7, 15 Feb 95 p 10

[Interview with Mikhail Lapshin, chairman of the Agrarian Party, by Vladimir Prokhvatilov; place and date not given: "The Russian Peasantry Will Feed the

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Entire Country Without Outside Assistance—Agrarian Party Chairman Mikhail Lapshin Disputes Radical Reformers"]

[FBIS Translated Text] **Russia has always been a peasant country. Today 42 million Russians live in the villages. But they are, frankly speaking, not the most "prestigious" social category within the populace. Russian villagers are today living from paycheck to paycheck. Or more accurately—from loan to loan. To the outside observer, this seems to be a black hole that sucks in and irreversibly pulverizes budget funds, while making an ever diminishing contribution to the consumer basket of the Russian people—which is increasingly being stuffed with foreign food. I therefore began my conversation with Mikhail Lapshin, chairman of the Agrarian Party of Russia, on a polemic note:**

[Prokhvatilov] Mikhail Ivanovich, what in your view are the reasons our agrarian sector lags behind the world level and fails to respond to any economic reforms?

[Lapshin] That is an incorrect formulation of the problem—there is no lag and there is no failure to respond to reforms. There are, unfortunately, false stereotypes popular among the Moscow intelligentsia and the elite public in general that reads the democratic press. These stereotypes have formed because Russia's present intelligentsia reside mainly in the cities. They do not know the village, and do not like it very much. That snobbery, that disdainful attitude towards peasant labor, hinders you, the city dweller, from understanding how necessary and beneficial this labor is to society.

By the time the so-called reforms began, we had attained a level of self-sufficiency with respect to the overwhelming majority of agricultural production varieties. Large amounts of grain were shipped in from abroad only because we wanted to have 100 kilograms of meat per capita, and not 40, as is presently the case. We built a tremendous number of poultry farms, pig-raising complexes, and cattle-breeding facilities. Generally speaking, we achieved what we strove for and attained a level of food provision for the populace ranking among the 10 most developed countries of the world.

[Prokhvatilov] So where have these achievements disappeared to?

[Lapshin] The administrative system came crashing down, and it became clear that we were not prepared for market relations. Over the course of decades we devoted all our attention to production alone. We forgot that production output must be qualitatively processed, securely and attractively packaged. We must learn how to preserve it for long periods of time and deliver it to the stores. Finally, we have to develop an effective, competitive mechanism of price formation. The fact that this did not take place had an extremely negative effect on agricultural producers. In 1990, when a package of milk cost 32 kopeks, 4,500 tonnes of milk were sold daily in Moscow and the store shelves were empty by 0700. Today Muscovites walk around, inquire as to prices, and either take or do not take a liter of milk for R2,500. Barely 500 tonnes of milk is sold per day.

[Prokhvatilov] Who is to blame here—for the fact that prices are so high and consumption has diminished? And that the agrarian sector was and remains the black hole of our budget, swallowing up credit infusions and causing inflationary surges? No one knows where this money goes—like the honey in Winnie-the-Pooh's jug. I had a recent conversation with Boris Fedorov. He takes a very hard position on this question, believing that when our country's "bluebirds" are foisted on Russians, who are not afforded an opportunity to buy higher-quality and cheaper imported food products, this constitutes an extremely gross violation of human rights.

[Lapshin] This is not the first time I have heard such comments from Mr. Fedorov, comments I find absolutely astonishing. After all, if Boris Fedorov were a kind of Chernichenko, I would be able to explain such statements through a lack of knowledge or scarcity of trustworthy information. But Mr. Fedorov is a well-known economist. In addition, he has headed the Ministry of Finance and must realize full well that no special budgetary infusions have ever been made and are not now being made into agriculture....

[Prokhvatilov] How can that be, Mikhail Ivanovich? What about the 9 trillion in credits allocated last year? That is not small change! Where is it?

[Lapshin] You think that is a lot of money? All right, let us do some calculating. Nine trillion rubles—that is approximately $2 billion. Now let us see what Russia's agriculture produced last year: 90 million tonnes of grain, 40 million tonnes of milk, 30 million tonnes of potatoes, 30 million tonnes of sugar beets, 10 million tonnes of meat, hundreds of billions of eggs, tens of millions of tonnes of vegetables. If we had to purchase such a quantity of agricultural output at world prices, it would cost us not $2 billion, but rather five or six times that amount.

Now let me discuss "bluebirds," especially for Mr. Fedorov. He cannot help but know that the poultry-farm industry we built in recent years is world-class. And that all our stores have constantly been stocked with high-quality poultry products (meat and eggs), on a significantly higher level than exists in the West. Now with respect to his assertion that Western products are cheaper than ours—here again we have a distortion of the facts. In Western stores a kilogram of meat or poultry costs $8-$9, high-quality beef—$10, butter—$11. Multiply this by the dollar exchange rate, and you get such a fantastic price level that only Mr. Fedorov—who apparently has no financial problems—could possibly find such products affordable.

[Prokhvatilov] But in any major city, the consumer basket consists of imported products to a significant degree—fruits, vegetables, meat products, confectionery

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items, dairy products. And a significant number of city dwellers are able right now to afford all this.

[Lapshin] There you have it—right now. While the prices for imported products are lower than world prices. But already prices are beginning to sting. We will see more of this! The fact is—over the past two years, we have been lured into a mousetrap. In classic fashion—through a free piece of cheese. At first we were offered food products at very cheap prices, dumping prices. But now, when the population of our cities has become accustomed to foods from overseas, the Western producer is beginning to ask his real price.

I will cite one simple example for the health food lover. In Finland, which has recently become a major supplier of foodstuffs to Russia's northern regions, a tonne of oats cost $400 last year, while oats were purchased from Russian producers at R100,000 per tonne. In other words, 10-15 times cheaper. So do not listen to Mr. Fedorov's fairy tales on cheap Western products.

[Prokhvatilov] Are you not exaggerating?

[Lapshin] Judge for yourself. Moscow Mayor Yuriy Luzhkov recently asked that Moscow be allocated various quotas for the export of raw materials, energy, and precious metals amounting to R6-7 trillion in order to purchase food abroad. But look—this is an amount comparable to the 9 trillion whose fate has been so worrisome to certain Moscow liberals. The situation is even more complicated in a number of regions of the Far North, where a couple of years ago they bit at a proposal to purchase foodstuffs in Finland at prices cheaper than Russian prices. Now that the Finns are starting to jack up the prices, they are thinking twice—but it is too late.

[Prokhvatilov] But does it not seem to you, Mikhail Ivanovich, that the problem is not just free cheese, but the sluggishness of our peasants as well, who are not prepared for real market competition?

[Lapshin] If we are lagging behind our foreign competitors in any way, it is only in financial might. They can permit themselves to feed the Russians almost free of charge, so as to seize our country's market. But we cannot. We do not have any money. How did we manage to get into such a position? Here, I will give you a specific example. Last year the government allocated villages about R3 trillion for the sowing campaign. Allow me to note that these loans were allocated after tremendous delay, and when they did reach the villages, they had been "circulated" two or three times. The loans were extended at 213 percent annual interest. At first the peasants did not even want to take the money at such usurious rates. But there was nowhere else to go, in the first place, and in the second place—finance officials "calmed them down," saying: "What is 213 percent? Look, you peasants are living under inflationary conditions. In the fall, prices for your production output will multiply over and over. You will be able to repay the loans, with the interest, and obtain a profit."

[Prokhvatilov] But what actually happened?

[Lapshin] In actuality, prices for agricultural output, livestock breeding output in particular, not only did not rise at the time the loans were repaid—in many instances they fell substantially. In April of last year, processing industries paid the goods producers R180-R200 for a liter of milk. At that time, milk cost R1,000 a liter in the stores, i.e., five times as much. By September, taking advantage of its monopoly position, the processing industry started paying peasants half the amount—R100-R120 a liter. But store prices rose and are continuing to rise. Today a liter of milk costs over R2,000 in Moscow. The situation is the same throughout Russia. Consider, for example, my Sovkhoz Zavety Lenina in Stupinskiy Rayon. Or the Kolkhoz imeni Lenina in Bryansk Oblast, from which I just returned. Bryansk peasants, in utter despair, have resorted to extremely uncivilized methods in selling their milk. They are independently transporting it to the city and selling it directly from the milk tank....

[Prokhvatilov] So you have a system of direct sales, just like in the West—trading with the firm, as we say.

[Lapshin] Not exactly. You cannot sell unprocessed milk on the street. This is considered improper everywhere in the world, because milk must undergo careful processing—veterinary and sanitation control, and must be sold in closed containers. A foreigner will accept potassium cyanide sooner than unprocessed milk. Therefore, I cannot recommend that all peasants follow the Bryansk example.

So producer milk prices dropped to R100-R120 per liter in virtually every region. In the fall, only an economic idiot would be involved in milk production. After all, the producer cost of one liter was R400.

[Prokhvatilov] And this is probably due to the ineffectiveness of kolkhoz management?

[Lapshin] Far from it. It was mainly due to expenses incurred externally. You have the cost of fuel—a liter of gasoline costing seven to nine times that of a liter of milk. Whereas throughout the world, the opposite is true—you can buy two liters of fuel for one liter of milk. In addition, you have to use about 400 grams of mixed fodder per liter of milk, and that costs up to R500 per kilogram. Then you have the cost of electricity—about R100 per liter of milk.

In short, a situation came about in the fall where expenditures for agricultural production rose, the price of milk fell, and the indebtedness incurred through peasant loans reached an amount equivalent to two harvests. Then there began a massive loss of livestock—about a million head were slaughtered, on which five or six years had been spent in breeding.

The situation with respect to grain production is no better. At the end of July, prior to the harvest, in accordance with the presidential edict on grain market

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procedure, the commodity producers, contracting corporation Roskhleboprodukt, and oblast administrations got together and reached agreement on the price of grain. It turned out to be R200 per kilogram, on the average. From a kilogram of grain, 1.2 kilograms of bread is produced. Taking into account the income of millers, bakers, and trade, it was expected that a kilogram of bread would cost R500-R600. But tell me please, how much does bread cost today in Moscow?

[Prokhvatilov] Over a thousand rubles for a loaf of white bread.

[Lapshin] You get R2,500 per kilogram. Can it be that the share of the agricultural producer in grain production, the entirety of this extremely difficult labor, comprises just 6-7 percent of the final price? And I will tell you something else—they did not even give the peasants this R200 per kilogram. Coercion and direct pressure from local administrations knocked the average purchase price down to R130-R140 per kilogram. This is outright robbery, super-exploitation of the village by the city. There are even more astonishing instances. In Stavropol Kray, for example, our Moscow Government bought up 30,000 tonnes of wheat at R60-R80 per kilogram. Muscovites should be overjoyed, of course, that Mayor Luzhkov has saved so much money for the city budget.

[Prokhvatilov] So why did the Stavropol peasants sell it so cheap?

[Lapshin] It is very simple. Depressed by the wicked experience of 1993, when they sold bread for that same R60-R80 per kilogram but did not get paid for it even after a year, they are happy to see any real money at all. What was a farm director or proprietary farmer to do, having produced bread in 1993 and sold it to the state and then hearing the state say through the lips of Gaydar and Fedorov: "We are not going to pay you the money, because if we did, inflation would come and destroy the macroeconomic equilibrium"? All the peasants were deceived regardless of form or size of property. This refutes the democratic myth regarding the alleged great love of radical reformers for the Russian farmer.

[Prokhvatilov] Well, is there no alternative for state purchases?

[Lapshin] The fact of the matter is that we declared the establishment of a grain market at a time when the necessary market structures were entirely lacking. Peasants have therefore been able to independently sell only about 2 percent of their grain. Knowing we were unable to swim, they threw us into the stormy ocean of the market and coldbloodedly watched us sink. But you know, even in the Western market, in Europe, for example, peasant subsidies reach up to 60 percent of production cost. Slightly less in America. The U.S. Department of Agriculture spends $155 billion a year in support of agricultural production—several times the amount of Russia's annual budget. These tremendous assets are expended so that even in the most remote, Godforsaken corners of the United States, agricultural workers may feel stable and confident.

[Prokhvatilov] Does it not seem to you, Mikhail Ivanovich, that in citing this example from the American experience, you may be playing into someone else's hands?

[Lapshin] I do not think so. The Americans are simply protecting their lifestyle, guarding their traditions. We have our own particular situation here in Russia, and if we are to learn a lesson from this example, it is clearly the fact that with respect to economic policy of the state, we cannot be guided by the criterion of profit and production effectiveness alone. We must take the social factor into account, or, to put it simply, we must think about people. Incidentally, I would like to object to your allusion, albeit indirect, that we, the Agrarian Party, are not overly fond of proprietary farmers. Quite the contrary. Not too long ago, I met with Viktor Stepanovich Chernomyrdin and convinced him to allocate in support of peasant and owner-operated farms not R204 billion, but R314 billion.

[Prokhvatilov] What do you think, Mikhail Ivanovich, where does the future lie—in the kolkhozes or the proprietary farms?

[Lapshin] Russia is a very large country, essentially a planet in itself. You have here a great many of the most diverse regional, social, religious, and other traditions. No region is quite like any other. So by virtue of this, Russia is fated to have many forms of ownership and diverse forms of farm management. It was bad that under Stalin everybody was driven into collective farms, but it would be no better if people were today driven out of them just as forcibly. Everything must be voluntary. Because of this it would be absurd to block energetic people exercising initiative from engaging in agriculture on an individual basis. We must do everything we can to release the potential of the private farmer to the maximum extent. On the other hand, we must make every effort to transfer large-scale agricultural production, which has already proved that it can produce tremendous yield while ensuring a decent social foundation for its workers, over to market principles of operation. All one need do is travel a bit into the Russian countryside to see how people are living on the kolkhozes, to see that virtually every village, every little town, has its own school, kindergarten, hospital, post office, stores, and other establishments necessary for life at the close of the 20th century. But we also have vast tracts of land standing idle, and it is in these unclaimed expanses that people who have come to be known throughout the world as pioneers and explorers can find their pursuit.

[Prokhvatilov] Are there many such people?

[Lapshin] Sociological surveys indicate that of the 15-18 million rural workers, approximately 1 million are prepared to leave the kolkhozes and engage in individual agricultural labor.

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[Prokhvatilov] The actual number of proprietary farmers is far lower. The reason lies primarily in the fact that local agricultural directors, rural feudal lords, are blocking the owner- operated farm movement any way they can. They do not provide land to the pioneers and explorers. In other words, there is a serious conflict of interests.

[Lapshin] I must state that your information is already outdated. Such a confrontation did indeed take place in the rural localities three or four years ago. Today it is virtually nonexistent. Two years ago the Agrarian Party went to leaders of the Association of Peasant Farms and Agricultural Cooperatives of Russia and to the heads of the procuracy, requesting that we be informed of all instances of refusal to allocate land. Over the two-year period, 220,000 owner-operated farms were established and only 1,000 cases of rejection registered. I believe even this figure is impermissibly high. We try to investigate any conflict, and we assist every person or family desiring to operate a peasant farm. Today proprietary farmers have been allotted 14 million hectares of land, the average size of each farm being 43-44 hectares. The average land share per kolkhoz worker in Russia is somewhere around five hectares. The main problem faced by the proprietary farmer today is not one of acquiring land, but rather of material-technical provision. Therefore, in my conversation with Viktor Stepanovich Chernomyrdin, I asked him not just about allocating assets for Russian proprietary farmers, but about organizing specific, special-purpose programs and assisting farmers through the provision of equipment. But the problems of the peasants can be fundamentally resolved only through real—not theoretical—agrarian reform.

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International Affairs

Kiev Denies 'Understanding' With Bosnian Serbs

LD2302165995 Moscow INTERFAX in English 1455 GMT 23 Feb 95

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] KIEV, Feb 23 (Interfax-Ukraine)—The Ukrainian Foreign Ministry has denied statements by vice president of the self-proclaimed Serbian Republic, Nikola Kolic, alleging that Ukraine "as distinct from the world community, expressed full understanding" about the Bosnian Serbs' negative position on the Contact Group's peace plan.

A senior Ukrainian diplomat told Interfax-Ukraine in Kiev on Thursday [23 February] that "any support by Ukraine of the stand occupied by the Bosnian Serb leadership is out of the question".

According to the diplomat, "Ukrainian Defense Minister Valeriy Shmarov, meeting with leaders of the Bosnian Serbs on February 21, attempted to persuade them to agree to the settlement plan for the Bosnian crisis proposed by the Contact Group."

The Ukrainian diplomat expressed regret that "the leadership of the Bosnian Serbs often indulges in wishful thinking."

Foreign Minister Supports Yugoslavia's Peace Policy

LD2002192395 Belgrade TANJUG in English 1828 GMT 20 Feb 95

[FBIS Transcribed Text] Kiev, Feb. 20 (TANJUG)—Ukraine will make maximum efforts to urge the final lifting of the United Nations sanctions against the Federal Republic of Yugoslavia, Ukraine Foreign Minister Hennadiy Udovenko said Monday [20 February].

Receiving the first Yugoslav ambassador to Ukraine, Gojko Dapcevic, Udovenko said he supported Yugoslavia's peace policy.

Udovenko said that due to Yugoslavia's peace policy and out of economic reasons, Ukraine would act together with Russia and countries of the Danube basin region on the lifting of the embargo as soon as possible.

Recalling that Ukraine had for the past three years suffered huge damages due to the embargo against Yugoslavia, Udovenko said his country was "very interested in renewing old and establishing new economic links with Yugoslavia."

Dapcevic said it was necessary to renew and expand all forms of bilateral, especially economic cooperation.

Dapcevic also praised Ukraine for its great contribution to efforts for resolving the conflict in the territory of the former Yugoslavia in a just and peaceful way and its activities aimed towards the lifting of the sanctions.

The U.N. Security Council in May 1992 imposed sanctions against the Federal Republic of Yugoslavia due to its alleged involvement in the civil war in neighboring Bosnia-Herzegovina, although Secretary General Butrus Butrus-Ghali said in a report at the time there were no Yugoslav army troops in the territory of Bosnia-Herzegovina.

Shmarov: Peacekeepers Presence in FRY Supported

LD2302175295 Kiev UNIAN in Ukrainian 1600 GMT 23 Feb 95

[FBIS Translated Text] Kiev [no dateline as received]—The Ukrainian Armed Forces General Staff has been instructed to work out a possible evacuation plan for the Ukrainian troops of the UN peacekeeping forces in former Yugoslavia. The instruction was made in agreement with the headquarters of military sectors in the region. "We believe it is one of the possible scenarios in this area," said Valeriy Shmarov, Ukraine's deputy prime minister and minister of defense at a news conference on 23 February following his working visit to former Yugoslavia.

The "blue helmets" ' mandate in ex-Yugoslavia is due to expire on 31 March. Observers say that if the UN forces leave Croatia, as the republic's government insists, a full-scale war can erupt between the conflicting sides.

The Ukrainian defense minister said Ukraine considered it necessary to maintain the presence of peacekeepers and "supported the opinion of the contact group that the problem should be solved through negotiations."

Volodymyr Khandohiy, the head of the international organizations directorate of the Ministry of Foreign Affairs told UNIAN that a compromise could yet be found. "There is yet time for Croatian President Franjo Tudjman to change his mind," he said, adding that intensive negotiations on mandate extension were under way. If a solution acceptable to Croatia is ever found, the "blue helmets" mandate would be extended in a modified form, said Khandohiy. He added Croatia had openly declared that the key to the solution was in Belgrade.

General Vasyl Sobkov, commander of Ukrainian land forces told UNIAN that plans for the withdrawal and evacuation of the two Ukrainian peacekeeping battalions had been made at the time they were sent to former Yugoslavia. He said there were a total of eight such plans. "Besides, the UN leadership, too, is responsible for the stay and possible repatriation of our peacekeepers, and has also come up with four plans for their withdrawal and evacuation, which are currently being studied at the Ministry of Defense," Gen. Sobkov said.

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Rukh's Chechnya Aid Detained by Russian Customs

LD2302202295 Moscow INTERFAX in English 1913 GMT 23 Feb 95

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] KIEV, Feb 23 (Interfax-Ukraine)—Russian customs officials have detained on the border with Ukraine a truck carrying 10 tons of humanitarian aid collected by RUKh [Ukrainian People's Movement for Perestroyka] and the Congress of Ukrainian Nationalists for Chechnya, RUKh press agency informed Interfax-Ukraine Thursday [23 February].

The truck with butter, flour, sugar, dressing materials and warm clothes spent two days on the border after which the Russian customs turned it back to Ukraine.

The report stresses the fact that big quantities of humanitarian aid collected by nationalist organizations do not reach Chechnya. Over 50 tons of aid have accumulated in Kiev alone while hundreds of thousands of people suffer from cold and hunger in Chechnya, RUKh press claims. It says their transportation is openly blocked by the Russian side.

UNA: Russian Defense Ministry's Directive on Dudayev

LD2302225995 Moscow INTERFAX in English 1913 GMT 23 Feb 95

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] KIEV, Feb 23 (Interfax-Ukraine)—Any army unit capturing Chechen leader Dzhokhar Dudayev dead or alive will receive a $500,000 reward, members of the Ukrainian National Assembly (UNA) said in Kiev on Thursday quoting the Russian Defense Ministry's directive of No D-0043 of February 15.

The directive provides for a high role of the special crack units and radar service personnel. Plans are under way to move radar units from Moscow, Leningrad and Far Eastern military districts expected to neutralize Dudayev's satellite communications with the leaders of Islamic countries and organizations.

The state intelligence department (GRU) is instructed to airlift special crack units behind the lines of Chechen forces to carry out sabotage operations there and capture or eliminate rebel field commanders.

Aerial attacks and pinpoint strikes are planned to destroy rebel strongholds in the southern parts of Chechnya as well as continued air raids to demoralize the rebels and aerial mining of possible routes of retreat into Georgia. Russian troops are under orders to kill any rebels refusing to surrender weapons.

Afghan war veterans are to form special units after being contracted at military stations and members of the motorized Tamanskaya and Kantemirovskya tank divisions are to be sent to the region of fighting as well as the 27th motorized battalion and the 119th paratrooper regiment.

Set up in 1990, the UNA was registered as a political party in 1994. The organization formed its own paramilitary units (UNSO) in early 1992. UNSO members were involved in regional fighting in Transdniestria and Abkhazia on Moldova's and Georgia's side respectively. They also fought on Dudayev's side during the conflict in Chechnya.

MP: Crimea 'Testing Ground' for Kiev-Moscow Ties

LD2302173595 Moscow INTERFAX in English 1455 GMT 23 Feb 95

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] MOSCOW, Feb 23 (Interfax)—Crimea may become a testing ground for the development of closer relations between Russia and Ukraine, believes Deputy Prime Minster of the Crimean government Arkadiy Demydenko, in charge of industry. He reported about this in an telephone interview with Interfax Thursday [23 February].

In his opinion, Crimea has "an appropriate status of an economic autonomy within Ukraine" in order to implement serious experiments in the sphere of the economy and to develop direct relations with Russia. Demydenko underlined that after signing an agreement on the total separation of budgetary systems with Kiev the Crimean government is preparing changes in offshore legislation and intends to consider the possibility of lower tax rates.

Resumption of talks "on the Crimean issue" and the redrawing of borders between Russia and Ukraine can give birth to a situation in Crimea "which may be more difficult than the Chechen crisis," Demydenko believes. At the same time he recognized that today Crimea "would like to be in the composition of Russia because the standard of living here is higher than in Ukraine." However, Demydenko is convinced that one should not raise the issue of redrawing borders despite this fact.

Speaking about the Black Sea Fleet, Demidenko declared that in his opinion the Russian fleet "can and must" be based in Crimea and must defend the interests "of Ukraine as well."

National Affairs

Defense Ministry, Black Sea Fleet Agree on Property

LD2302203495 Moscow INTERFAX in English 1913 GMT 23 Feb 95

["INTERFAX-UKRAINE" news item]

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[FBIS Transcribed Text] KIEV, Feb 23 (Interfax-Ukraine)—The Ukrainian Defense Ministry and the command of the Black Sea Fleet have agreed to stop the removal of military and other property from the territory of fleet units. Defense Minister Valeriy Shmarov told Interfax-Ukraine he agreed on the matter with the fleet commander Admiral Eduard Baltin.

According to Shmarov, the fleet property will be kept by units until Ukraine and Russia agree on the division of the fleet.

Earlier the command of the Ukrainian Navy accused the fleet command of numerous attempts to sell part of the property to private businesses.

Deputy Premier, Russian Official on Cooperation Pact

WS2302141695 Kharkov SLOBIDSKYY KRAY in Ukrainian 31 Jan 95 p 1

[Report by L. Sukhina: "An Important Step Toward Intensifying Cooperation"]

[FBIS Translated Text] **As our newspaper has already reported, leaders of 12 oblasts and krays of the Russian Federation and Ukraine which share common borders have signed an intergovernmental agreement on cooperation between those oblasts which neighbor one another. The agreement was signed in Kharkov on 27 January.**

After that, a news conference was held. Russian Deputy Prime Minister O.O. Bolshakov and Ye.K. Marchuk, Ukraine's first deputy prime minister, participated in it.

Responding to journalists' questions, such as "You have signed the agreement. What next? What about the mechanism of its implementation?," O.O. Bolshakov stated that the signed document is closer to the framework agreement, which is a package of accords primarily dealing with trade and customs regulations. Ye.K. Marchuk stressed that the entire range of accords represent a concrete expression of concepts on which the [previously] signed agreement is based. This makes it possible to develop a program and begin its implementation.

Representatives of the mass media asked whether the signing of the agreement was running in front of the locomotive or a natural step within the framework of the process of implementing the agreement on establishing an economic union. The viewpoint of Ye.K. Marchuk, Ukraine's first deputy prime minister, is as follows: Such kind of agreements (it is cooperation between bordering oblasts which is precisely implied) should have been signed long ago. Russian Deputy Prime Minister O.O. Bolshakov suggested that perhaps there would have been no need to sign such an agreement had a full-range normative basis, primarily on procedures for cross-border trade within the 14-km border zone, existed.

Commenting on the results of the meeting, O.O. Bolshakov noted that the production potential had developed over decades and it would be wrong to let the integration be held up. Today there is not the normal turnover in trade which existed earlier. The current task is to restore the commodity turnover and to use the potential. Answering questions as to the specifics of Russian-Ukrainian integration and its difference, for example, from the Russian-Kazakh one, Ye.K. Marchuk said something to the effect that it is a case of proper formulation of the unique Russian-Ukrainian integration which already exists.

A question regarding the prospects for Ukraine joining the customs union of Russia, Belarus, and Kazakhstan was also raised at the news conference. Ye.K. Marchuk, Ukraine's first deputy prime minister, believes that the alleviation of customs procedures envisaged by the signed agreement on cooperation between Russian and Ukrainian bordering oblasts is a step toward joining such a union.

In Kharkov, the leaders of the bordering oblasts adopted the Appeal to the Presidents and Governments of Russia and Ukraine, in which they expressed a hope that the signed intergovernmental document will enable them, in the near future, to begin drafting Russian-Ukrainian agreements on a customs union and a single procedure for regulating their external economic activities.

Kuchma Adviser on Crimean Issues

954F1489A Simferopol KRYMSKAYA GAZETA in Russian 21 Feb 95 p 1

[Article by Petr Makukha: "It Is Not Easy To Emerge From a Crisis"]

[FBIS Translated Text] **This is precisely how to summarize the responses from the adviser to the president of Ukraine, Vladimir Grinev, at a news conference in Yalta.**

Naturally, the first of the questions addressed to V.B. Grinev pertained to the economic situation of the Southern Coast region and the critical situation in which the health resort area has found itself because of the catastrophic reduction of the amount of taxes left to its budget. The answer was simple and direct: For Yalta, as a unique region, in the next two or three years it will be necessary to create tax conditions that will enable the city to get back on its feet. But it will not be easy to do this, since the economy of Ukraine, and the Southern Coast in particular, has been practically completely destroyed. It is necessary to force the reforms proposed by L.D. Kuchma and follow the path he earmarked.

Crimea played a significant role in the election of the president of Ukraine and has a right to expect constant attention. Why are we not experiencing this? In answering this question, the president's adviser noted that in this situation the chief of state has to solve problems not of individual regions, but of the entire republic, since they are of a Ukraine-wide nature. And this pertains above all to reforming the structures of power. Only then, in V.B. Grinev's opinion, will it be

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possible to affect the economic and other processes in Ukraine and its regions. Control has been practically lost today, and in Crimea the opposition of various branches of power and the lack of moderation in relations between the parliaments of Ukraine and Crimea have contributed to this to an immense degree.

How does one explain this? Most likely by the haste in adopting political decisions and at the same time the slowness in the area of economic transformations. We are still reaping the fruits of the rejection by the former leaders of Ukraine of the course of reforms and the temporizing that led the country into its ultimate crash.

Responding to the question of why Ukraine did not sign the agreement for the creation of a customs union with the CIS, Vladimir Grinev noted that a civilized entry into a common customs space would require the development of an entire package of the corresponding documents. According to the most modest estimates, this would take no less than a year. Ukraine has lagged behind other countries in this, and now it is paying for its slowness.

Participants in the news conference repeatedly brought Vladimir Grinev back to problems of relations between Ukraine and Crimea. The answer to practically all of them might be the remark that the Republic of Crimea has a special status in Ukraine and its own legal field created by parliament, and many local problems today are under the jurisdiction of Crimean authorities. This is why Ukraine is somewhat passive with respect to Crimea's internal problems. And this is not so much passivity or indifference as a lack of opportunity to affect local economic, social, political, and other issues in the way that it does in the oblasts.

Vladimir Grinev is quite correct in this: By assuming independence in resolving various issues it their life, the region and the population are obligated to exercise this right with their own forces and not ask for help in exercising... their independence. Unfortunately, not everyone has clearly recognized or thought about such an assessment of the situation in Crimea.

Present at the news conference were representatives of the Dnepropetrovsk, Donetsk, Cherkassy, and Crimean divisions of the Interregional Reform Bloc, whose chairman is Vladimir Grinev. For some reason, there were no questions for them, and in general there was no discussion of the concrete economic situation and ways of preserving the ability to operate of those branches of business and enterprises that are still functioning. It seems that the tone here was set by the president's adviser himself, who stated that without political solutions it is impossible to affect the economy today.

It would be good if politics were a concentrated expression of the economy. But if, as before, it engages in everything and anything except the economy, it will be not only difficult but impossible to emerge from the present crisis.

Presidential Spokesman Comments on Crimea-LDPR Agreements

LD2302144095 Kiev UNIAR in Ukrainian 1250 GMT 23 Feb 95

[FBIS Translated Text] Simferopol, 22 Feb—Heorhiy Shcherbyna, a spokesman for the Ukrainian presidential representative's office in Crimea, said the office is aware of the agreement signed between the Crimean president and the Russian Liberal-Democratic Party [LDPR] leader, Vladimir Zhirinovskiy, on the "so-called interstate relations," as well as other agreements signed last summer by representative Oleh Kyrylov of the Crimean Supreme Council and the LDPR group in the Russian State Duma.

The Ukrainian presidential representative's office is concerned at Crimea's efforts to establish ties which do not conform to Ukraine's foreign policy interests, he said.

The presidential representative is currently negotiating with the Ukrainian ministries of foreign affairs and foreign economic relations on setting up a foreign affairs department at the office in Crimea.

Mr. Shcherbyna said they would also discuss the possibility of the foreign affairs and foreign economic relations ministries setting up their main directorates in Crimea to monitor the policy pursued by Crimean leaders.

Crimean Communist Leader Offered Senior Parliament Post

LD2302161795 Kiev Radio Ukraine World Service in Ukrainian 1400 GMT 23 Feb 95

[FBIS Translated Text] Serhiy Tsekov, speaker of the Crimean Supreme Council, has offered the post of parliament deputy chairman to Leonid Hrach, first secretary of the Crimean Communist Party, Mr. Hrach said at a meeting with Sevastopol residents.

The Communist leader accepted the offer on condition that the Crimean parliament would pass the draft law on urgent anti-crisis measures proposed by the Communist Party. The draft envisages confiscation of 50 percent of commercial bank funds, consolidation of the state sector in the economy, and a return to state planning.

Mr. Hrach expressed confidence that many of Crimea's local councils would turn red in the next local election this April, placing the Communists in control of the economy.

'Compromise' Urged on Zaporizhzhya Nuclear Reactor

WS2402091395 Kiev UKRINFORM in English 0800 GMT 24 Feb 95

[From the "Current Events" feature]

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[FBIS Transcribed Text] Speaking in an interview to UKRINFORM's correspondent in Kiev, Yuriy Kostenko, Ukraine's minister for natural environment protection and nuclear safety, urged a reasonable compromise on the sensitive issue of commissioning the Zaporizhzhya nuclear power plant's sixth reactor, which has triggered much controversy among both nuclear experts and environmentalists in Ukraine. According to the cabinet's resolution, the sixth nuclear reactor should be tested in the first quarter of 1995 before being commissioned in the second one.

Economic Issues

Kuchma Speech to Stock Market Symposium

WS2302131595 Kiev URYADOVYY KURYER in Ukrainian 28 Jan 95 pp 3-4

[Speech by President Leonid Kuchma at the International Symposium on Problems of Forming a Stock Market in Ukraine, in Kiev on 26 January: "We Are Not What We Were Half a Year Ago"]

[FBIS Translated Text] Highly Esteemed Ladies and Gentlemen!

I am deeply convinced that the international symposium, which is just beginning its work, will contribute to the proper comprehension of the entire complex of urgent problems facing the further market-oriented transformation of our economy, and will play an important role in the making and development of Ukraine's financial market.

Let me welcome you here at this significant event and wish you fruitful work.

I would like to extend special greetings to all the foreign participants in the symposium and express, in particular, my gratitude to the European Commission for Rendering Technical Assistance to CIS Countries, an organization which grants our country appreciable and multifaceted assistance in diverse spheres of economic life, including the sphere of training and retraining cadres for the financial market.

Esteemed participants in the symposium!

Exactly three and a half months have passed since the 11 October 1994 Supreme Council session, at which I proclaimed a new course of radical economic transformations.

The new policy does not only aim at ensuring a way out of the most ferocious crisis that ever happened in the entire history of our people, but also at thoroughly transforming all spheres of economic relations and making them modern, civilized, and socially efficient.

I have never been a utopian. I am a practical man and therefore I have always realized, and realize now, how incredibly complicated the tasks, which we have set for ourselves, are.

I am also deeply aware of the fact that the implementation of those tasks is a long and thorny path without laurels or applause, and that final success will be determined by the capability on the part of the president and power structures to consolidate the most energetic forces in our society and concentrate their production and intellectual potential to implement our plans.

However, notwithstanding the short distance travelled, so far, along this road and the fact that we have not yet been able to change the course of events, notably to achieve visible economic stabilization and, on that basis, halt the deterioration of the living standards of our people, we should still not overlook those economic transformations that have already been initiated and, regardless of everything, are now laying the foundation for the needed restructuring, and this will undoubtedly produce the expected socioeconomic results.

I think that it will not be wrong to say and I suppose that you will support me in saying that, today, we are not what we were half a year ago, and that you already work in an essentially different and more favorable economic setting.

In a short time, we have managed to radically restructure the system of hard-currency relations. This is the foundation for market transformations. The positive significance of the processes currently under way in our country does not need any additional argumentation. The results of those processes are obvious—the karbovanets is gaining real value and its international prestige is growing.

We have begun the most difficult process—large-scale financial stabilization. As a result, over the fourth quarter of 1994 alone, we managed to reduce the state budget deficit by more than one-half and to reduce, to some extent, the gigantic inflation potential, which had threatened to completely undermine the basic foundations of our economy.

This has not happened. Inflation has remained under control.

I think that there is no need to prove the positive significance of the liberalization of the pricing mechanism which is currently being implemented. Given its sociopolitical aspect, this is the most difficult task that we are facing. However, only provided that we resolve it will we be able to accomplish what was always beyond the administrative system's powers—on the one hand, to turn the economy toward satisfying consumer needs, to make it work efficiently for the consumer, and on the other—to equalize demand and supply and fill the market with high-quality products.

Today you know very well that we have taken concrete steps in this direction, too.

I can say the same about yet another, no less significant, sphere of economic transformation—the process of privatization. I would not like to mention things which

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are already well-known. Just look at the chronicle of current events and you will see this for yourselves.

For instance, today, on 26 January, Ukraine's first center for holding privatization voucher auctions will open in Zhytomyr. Nine large enterprises in Zhytomyr have already applied to participate in auction sales.

It is also today that the fourth auction of land plots will be held in Kharkov.

Another significant event will take place tomorrow, and it will, in fact, open a new page in the sphere of agrarian relations, a sphere which is extremely conservative in terms of its objective traits. This refers to an auction of future contracts for crops.

I think that even nonprofessionals realize that this is essentially an agrarian revolution and a path toward resolving the most burning problem—overcoming the gap between the seasonal nature of agricultural production and the need to continually finance it.

Our failure, in previous years, to resolve this problem through traditional administrative measures was one of the determining factors that led to issuing huge amounts of money this past fall. This, in turn, resulted in a new spiral of hyperinflation, the destructive nature of which is well known to us.

Today we also take concrete steps toward resolving this key problem. Hope to God that this step will bring us the desired results. You understand how important this is for us.

One could also mention other quite significant economic transformations which are already working in the direction of those processes initiated by us. Their resolution is most relevant to the process of establishing the financial market. These are its objective preconditions. The fact that we lag behind Russia so much in the development of our financial market can largely be accounted for by the insufficient progress in, first and foremost, the aforementioned processes. Therefore, every step taken toward financial stabilization, price liberalization, and privatization forms a basis for intensifying the processes which you should thoroughly analyze to be able to adopt appropriate recommendations.

Of course, I do not exaggerate what has been done. We have just taken the first steps. I also realize that we could do much more. In the long run, however, the point is not only to resolve individual concrete questions, even though this is also an important thing. Without this, there would be no development at all.

I would like to draw your attention to something else.

As for me, the most significant thing among the changes that have taken place, is a clear determination of our path, as well as the confidence of public opinion, business circles, and the entire community, both in Ukraine and abroad, that this is precisely the road along which our economy will develop, that those changes are irreversible, and that their scope and rate will steadily grow.

I reiterate now what I have already said many times.

As president of Ukraine, I am the guarantor of these transformations. I have assumed full responsibility for their implementation, and I assure you that I will never give this up.

Highly esteemed participants in the symposium!

Having embarked upon the road of accelerated market transformations in the economy, my colleagues and I realize very well that the formation of a modern civilized financial market is a basic foundation for such transformations and one of their determining elements.

I mention this not just because this is my address to the symposium which deals with this specific problem. You must be aware of the fact that my program for radical economic transformations, which I presented to the Supreme Council, contains a special chapter determining the paths for establishing and developing Ukraine's financial market. In my address at the session, I emphasized that the stock market and the banking system are two interrelated structures which must become a motivating force for economic transformations.

I want to assure you that the president, as well as the entire executive branch, will persistently work toward implementing these fundamental provisions.

Esteemed participants in the symposium!

I think that there is no need to focus our attention on the fact that the financial market has many functional aspects. I am convinced that these problems will be thoroughly elucidated in your speeches.

This issue will also be addressed in the speech by Ukrainian Finance Minister Petro Kuzmovych Hermanchuk.

So let me dwell on just one of the fundamental tasks of the financial market—the restoration of the investment process in Ukraine and its influence on the implementation of structural transformations.

You know well that structural defects are the most sensitive point in our economy. First and foremost, I have in mind the structure of production branches, which, over the past four years, has not just failed to improve, but has even essentially deteriorated. Over this period of time, the share of production of consumer goods and products of the machine-building industry has decreased. At the same time, the share of basic industries has increased. It accounts for more than 45 percent in the total volume of industrial production.

In reality, given the current level of energy provision, such a structure is simply beyond the capabilities of our

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economy. Unless it is thoroughly restructured, our efforts aimed at extricating the economy from its crisis will remain futile.

With the help of which tools or mechanisms will we be able to achieve structural breakthroughs in the economy? This question is extremely difficult. It is directly connected with securing real accumulation and overcoming the profound investment crisis.

On what are we counting in this area?

I would like to say frankly that we do not have any grounds to count on state investments. The situation in state finances is such, so that we even have to reduce the share of corresponding expenditure. The financing of the social sector must be improved no matter what.

Therefore, we have adopted a different approach, which I find more promising and, what is the most important thing, more efficient.

What is the point?

As I already said, at the first stage of economic transformations, the main emphasis in our policy was placed on ensuring at least slight financial stabilization. We have achieved certain positive, though insignificant, results in this regard.

However, it has always been clear to me and my team that, by monetary means alone, it is impossible to boost production and its restructuring.

Financial stabilization and a low inflation rate are merely necessary objective preconditions for the development of the investment process and for channeling capital from circulation into production. History does not know of economic development in conditions of growing inflation and unstable currency. Thus, we must continue to do everything in order to ensure an intensification of financial stabilization.

In this situation, a new emphasis in our economic policy will be put on something else. It will be focused on encouraging direct investments. To achieve this, a whole system of economic measures will be implemented. These measures are significant enough.

On the one hand, this means considerable reduction in taxes imposed on producers of goods, indexation of capital stocks, and stepping up amortization. Amortization traditionally amounted to 60 percent of investments in Ukraine. Over the last few years, this index has virtually dropped to zero. This must be corrected by all means.

On the other hand, this process is expected to create preconditions for accumulating working capital, and, proceeding from this, for gradually overcoming the financial crisis. Appropriate measures are being taken in this regard as well.

I mean an improvement in the recently introduced circulation of commodity bonds, monthly indexation of the value of the remaining assets, legislation on exempting up to 10 percent of profits from taxes, so that the resulting capital could be used to replenish working capital, and other measures.

These measures should ensure combining macroeconomic stabilization and direct stimulation of production. According to our estimates, these measures are to essentially increase profitability, improve finances of low-level production structures, and create a basis for renewing the investment process.

In this situation, the possibilities of the financial market will also increase. With the help of its mechanisms, it will become possible to direct a real influx of capital to the most promising types of production, which will also promote appropriate structural progress. We expect this particular scenario. Acceleration of the process of transforming large and medium-sized enterprises into corporations must also contribute to this process.

In this regard, the financial market's support for companies, which have already become corporations, is of particular importance. Primarily, they must benefit from a real influx of capital. Look at the "Richflot" [River Fleet] company, shares of which are being traded on the Ukrainian stock exchange. A few days ago I read in a newspaper that their market price had exceeded 400 percent of their nominal value. This is the optimal model of development for which we should strive.

Otherwise, we will not only fail to resolve fundamental issues of economic revival, but will even discredit the privatization process itself.

We must not allow this to happen in any event.

Let me now address another issue.

We believe that, in the process of restructuring, science-intensive and high-technology branches of production, which still maintain a high scientific, technological, and intellectual potential are the most promising ones. Ukraine's future is primarily associated with the development of these branches. And I hope that the people assembled in this hall and all those who want to become masters of the future, realize this truth very well.

The unique potential capabilities of Ukraine's agricultural sector are another priority direction.

By virtue of recent presidential edicts, as I already said, we initiated a deep restructuring of the system of agrarian relations, which had existed for many years and proved inefficient a long time ago. In the context of these transformations, the agricultural sector may become the most attractive area for investing capital even today. Remember that this sector of our economy is also becoming increasingly attractive to foreign investors.

I will frankly say that the course we have set has many opponents. Certain people openly say: We will see what

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comes out of it. These are clear political intrigues which are at variance with the interests of our state.

In this connection, I would like to say that, as president, I will do everything to implement the planned transformations. This is a priority task for me. And, esteemed symposium participants, I count on real support from all healthy forces of our society, particularly on your support. Here we have an exceptionally promising sphere for joint actions.

Industries that guarantee a quick turnover of capital, including those involved in manufacturing consumer products, constitute another priority direction which should attract the attention of all the entities present on the financial market. In fact, this is unploughed ground for us, and it provides unlimited space for activities. Involvement of private capital by means of energetic implementation of small privatization and encouraging small businesses provide the basis for resolving that problem.

As you know, we are planning to roughly complete small privatization in the current year. The executive authorities are taking the necessary organizational measures with an eye toward implementing that task.

Appropriate steps are currently being discussed, aimed at resolving the long-matured issue of land plots on which small privatization facilities are located. This process is already under way. I have already mentioned land auctions. The legal basis of that procedure lags behind prevailing practice. We are planning to correct that impropriety in the immediate future.

There is another extremely important problem which I would like to emphasize. I am referring to the activation of domestic capital in the investment process, including capital amassed beyond Ukrainian borders.

In my speech delivered at the Supreme Council session, I underlined that we would do everything to solidify the national capital and increase its competitiveness. Once again, I would like to confirm that tenet from this high rostrum.

In the near future, a presidential edict will be signed, dealing with the development of financial-industrial groups in Ukraine, which will open up additional prospects in that field.

Moreover, our economic services are currently discussing crucial steps aimed at providing an impetus to returning the capital amassed abroad. It would be desirable if participants in the symposium could comment on that problem.

I would like to say about myself: I understand only too well that without resolving that issue Ukraine's economy has no chance to witness an economic breakthrough. For me, this is an axiom which needs not be proven. As president, despite all kinds of resistance on the part of certain political forces, I would act purposefully to achieve that goal.

However, also in this issue I would like to be absolutely aboveboard. My actions can only be consecutive provided they are accompanied by the opposite process—our joint efforts to develop the national economy.

In the first place, I mean the overcoming of the greatest malady—the "shadow economy." According to calculations, the "shadow sector" accounts for some 40 percent of all economic operations.

We resorted to the elimination of export quotas, and barter operations saw an 80 percent increase overnight. You are well aware what that means.

Or take the problem of paying taxes, for instance. We have fixed a 30-percent profit tax which is among Europe's lowest rates. I will tell you more. When the appropriate bill was being drafted, my economic advisers suggested introducing an additional superprofit tax. I did not support that idea, for this would have limited the investment potential primarily of those who work efficiently. All that is well-known.

However, other things are well-known, too. The lion's share of income is currently exempt from tax, given that it is simply concealed. The introduction of the profit tax creates new "opportunities" for the "virtuosos." If we fail to overcome those processes the profit tax may be doubled as early as tomorrow.

The treasury cannot be empty. The state bears responsibility for the socially insecure groups. We have 16 million pensioners.

To resolve that issue, I am seeking support from all the economic entities, for together, we must ensure proper order in the state.

I am not referring to felonious activities. Here is just one example from the sphere of financial market. Toward the end of 1994, following numerous appeals by our citizens, I requested that bodies of the interior inspect 130 trust companies. In 32 cases, criminal proceedings were instituted as a result of those investigations, including 21 cases in Kiev. More than 9,000 citizens were declared victims, given that they had suffered 90.1 million karbovantsi and $19.5 million worth of damage.

We intend to discuss those issues soon at a session of the Coordinating Council for Fighting Organized Crime. However, I would not like our activities to be reduced solely to those forced measures.

I would like to assure you all over again that I count on something more than that.

In general terms, we should jointly take care of enhancing trust in relations between the state and all the economic entities; we should develop a certain culture of relations, as well as mutual respect.

With regard to that, I advocate complete legibility of the state's economic policy. This would be advantageous to everyone. Finally, I would like to say the following.

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The current year, as I have repeatedly emphasized in my speeches, despite the grave problems, must become a turning point in our economic history. We never believed that we could significantly improve the economic situation in several months. This was absolutely unrealistic.

However, we must do that as early as this year. Otherwise—and I would like everyone to be well-aware of this—our economy, as well as our society in general, may be thrown back into the past. It is clear that everyone would lose in that case—workers, farmers, engineers, teachers, the young generation, pensioners, and businessmen. Hopes for a better future and a civilized development of our state would be buried.

As president I have to take into account the eventuality of that scenario; I have to discuss it.

However, we have good chances to prevent that. I would say more. According to our estimates, we will be able to reduce inflationary processes to a minimum in the second half of 1995 and ensure substantial stabilization in the production sector. Naturally, this would be the groundwork for resolving the acute problems of people's living standards.

I would also like to mention the fact that I count on appropriate political stabilization. I hope that under all circumstances we will be able to eliminate opposition between the executive and the legislative branches of authority and find a civilized way to overcome the existing divergences.

According to the classical economy canons, it was believed that land, labor, and capital were the primary factors determining production. In my speech I tried to prove that we have the first, the second, and the third.

Our economic science singles out the fourth factor, too. It is even believed to be the leading one. I am referring to entrepreneurial activities. In this field, our people have an unexhausted potential. Life has proven it in the course of many centuries.

Thus, we have everything we need to really revive our economy. That is why I am turning to you, the people representing all the entrepreneurial structures, all the managers of state and nonstate, large and small enterprises and organizations, all the producers, and every individual citizen. Together, let us do everything to fully tap that potential.

I wish you luck in that field. I hope your symposium will be fruitful and will produce qualified recommendations on the issues submitted to discussion. I count on our further cooperation.

Thank you for attention.

Government Resolution on Higher Import Taxes Cited

WS2402114695 Lvov INFOBANK in English 1042 GMT 24 Feb 95

[From the "News Service" feature]

[FBIS Transcribed Text] On February 21, the Cabinet of Ministers made a decision according to which new (higher) rates of import taxes will be introduced. These rates will concern goods which are produced in Ukraine in sufficient quantities. Import taxes on tractors, concrete, asbestos and concrete products, textile and knitted clothing, mercury, potatoes, cabbage, millet, root vegetables and other vegetables will be 40 percent of customs value of the product. Import taxes on cranes, dumptrucks, fire engines, furniture, plows, harvesting machines, bakery equipment, equipment for sugar industry, devices for processing meat and fowl, barley, oats, and buckwheat will be 30 percent of customs value of goods. Import taxes on printing presses, sugar, ceramic and concrete slabs, flax and hemp threads, cutlery, sanitary devices, heating radiators will be twenty percent of their customs value. According to the decision, eased rates for the majority of these goods are from five to ten percent lower than full rates for the same goods.

Property Fund Chief Briefs on 'Large Privatization'

WS2402094195 Kiev UKRINFORM in English 0800 GMT 24 Feb 95

[From the "Current Events" feature]

[FBIS Transcribed Text] On Thursday, February 23 Ukraine's large privatization list was approved by the Ukrainian government. A statement to this effect was made by Yuriy Yekhanurov, chairman of the State Property Fund, at a press conference at UKRINFORM's headquarters in downtown Kiev. According to Mr. Yekhanurov, the list comprises 5,600 state-run entities, of which 852 enterprises have issued their stocks to be readily available to prospective buyers. As Mr. Yekhanurov disclosed, the list has been drafted to contain 8,000 entities. Through the agroindustrial complex's delayed action, some 2,400 entities remain suspended pending the government's final decision. As Mr. Yekhanurov stressed, the Cabinet is likely to remain adamant in demanding the list's finalization before April 1. According to the press conference's sponsors, appointment of [privatization] voucher auction center superintendents is nearing completion with first five such centers having been opened . Next week, similar centers will stage their presentation ceremonies in Volhyn Oblast and in Donetsk, which will be followed by centers in Poltava and Odessa. Mr. Yekhanurov admitted some problems in finding buildings to house the centers and equipping them with necessary equipment.

Trade Union Federation on Living Standard

954F1490A Simferopol KRYMSKAYA GAZETA in Russian 21 Feb 95 p 1

[KRYMPROFINFORM report: "The Entire Population—Bankrupt?"]

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[FBIS Translated Text] The Council of the Federation of Independent Trade Unions of Crimea has issued a statement addressed to the authority of Ukraine, which evaluates the situation that has come about related to the sharp increase in rates charged the populace for municipal services, electricity, and transportation. Exorbitant payments have led to a situation where over 30 percent of the housing owners and renters are already in debt, not only unable to pay for services, but unable to afford normal nourishment as well.

Promises made by the Cabinet of Ministers to increase wages, pensions, stipends, and social payments are not being kept, while we see a sharp reduction in levels of production and extravagant inflation of the bureaucratic apparatus of ministries, departments, directorates, and the president's administration, the statement reads. It goes on to say that these promises cannot in fact be kept, the situation being what it is. On the contrary, we are observing a continued, precipitous drop in the standard of living of the overwhelming majority of our people.

The Council of the Federation of Independent Trade Unions of Crimea proposed that the president and Government of Ukraine suspend points 4 and 6 of Cabinet of Ministers Decree No. 733, dated 21 October 1994, in that portion which establishes the rates charged the populace for housing and municipal services, city passenger transportation, and electricity, until:

adoption and implementation of the Law on Wages;

conclusion of the General Tariff Agreement for 1995;

repeal of the Law on State Employees, and significant reductions in the bureaucratic apparatus and funding for its maintenance;

official confirmation of the threshold amount for 1995 categorizing people of scanty means;

establishment of the minimum wage as a state social guarantee in an amount not lower than the value of the scanty-means threshold;

establishment of an appropriate level of social protection for people of scanty means, the unemployed, and disabled segments of the populace.

The statement contains a warning to the effect that if new rates for services are introduced without appropriate measures of social protection for the populace, the Council of the Federation of Independent Trade Unions of Crimea will then appeal to all trade unions of the country, calling for them to conduct an all-Ukraine, one-day warning strike, along with a demand for the resignation of the government, Supreme Council, and president of Ukraine.

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Belarus

Threat on Yeltsin's Life During Minsk Trip Reported

WS2402113995 Minsk BELAPAN in English 1200 GMT 23 Feb 95

[FBIS Transcribed Text] According to the information received, on 22 February, before President Yeltsin's arrival at the Academy of Sciences, the militia received an anonymous telephone call. A stranger informed of a possible attempt upon the Russian president's life and said that the action was appointed on 1230 [1030 GMT]. Perhaps, this call explained a certain toughening of precautions taken by the bodyguard service of Yeltsin. As a result, some mass media representatives, who had accreditation for the coverage of the Russian leader's visit, were not let in the building of the Academy of Sciences. On 22 February, the press service of the Interior Ministry had no available information about the telephone call.

Minister Reports on Russian Leasing of Military Sites

WS2402094295 Minsk BELAPAN in English 1800 GMT 23 Feb 95

[FBIS Transcribed Text] On the demand of a group of MPs, Col. Gen. Anatol Kastenka, Belarusian defense minister, has drafted an official report regarding the station at Vileyka and the unfinished center in Baranavichy which will be leased by Russia in accordance with the recent bilateral agreements within next 25 years. This was announced by MP Aleh Trusaw at a press conference on 23 February.

According to the minister's conclusions, "the Baranavichy Center is not interesting from a military point of view and its use for economic purposes is impossible as well." If the construction of the center is completed, its operation, the report reads, will not cause damage to the environment. The station at Vileyka and the Baranavichy Center in Belarus are Russia's military facilities. At the same time, according to the 6 January agreements, these establishments are the property of Belarus. According to the report, the decision on the fate of these facilities was influenced by such a great deal of factors that it is impossible to value the facilities.

However, according to some official experts at Belarusian construction departments, the value of the real estate at the Baranavichy Center amounted to a sizable sum - 239 billion Belarusian rubles [R], according to another source - R151 billion.

BPF Leader Criticizes Friendship Treaty With Russia

LD2302180195 Moscow INTERFAX in English 1712 GMT 23 Feb 95

[FBIS Transcribed Text] MINSK, Feb 23 (Interfax-West)—The treaty of friendship signed in Minsk on February 21 by Russian President Boris Yeltsin and his Belarussian counterpart Alyaksandr Lukashenka, has been described by leader of the opposition Belarussian People's Front (BPF), Zenon Poznyak, as "the creation of a basis for incorporating Belarus into Russia." Addressing on Thursday a news conference in Minsk, the "rightist" leader said that this statement was caused by the provisions in the document which lay down the mechanisms for stage-by-stage "enslavement of the Belarussian economy and the controlling political processes".

He said that during the recent meetings in Minsk between President Lukashenka and a group of his close supporters with the visiting "expert-plotters Aleksandr Sterligov and Aleksandr Barkashev, the two sides worked out the tactics and strategy of staging a coup in Belarus." Several months ago, Minsk was visited by Albert Makashov, who also was received by Alyaksandr Lukashenka, he told reporters.

Poznyak said that to frustrate the parliamentary elections scheduled for May 14 and prevent the victory of the opposition, the presidential team is developing "a plan of provocations to compromise the BPF, and these provocations are only possible with the use of force." According to forecasts of the BPF leaders, "the scheme of the possible putsch envisages the introduction by the president's decree a state of emergency in the country." "Since, in line with laws, the state of emergency may come into effect only by the approval of the Supreme Soviet, the parliament will be dissolved," believes Poznyak. "For two weeks the local press will carry out a campaign of slander against the BPF and its leaders, after which they will be arrested together with the disagreeable journalists."

Poznyak claims that the logic of such course of developments is caused by a sharp fall in the rating of Lukashenka and his team and by the growing popularity of the BPF.

Referring to the latest figures of the public opinion polls, the "right-wing" leader said that only 10% of the population back the current president and 40% prefer the Belarussian People's Front.

Opposition Criticizes Russian Agreements

LD2302131395 Moscow INTERFAX in English 1107 GMT 23 Feb 95

[FBIS Transcribed Text] MINSK, Feb 23 (Interfax-West)—The opposition's coordinator in the Belarusian parliament Sergey Naumchik sharply criticized the last Russian-Belarusian agreements.

In an interview with Interfax Thursday [23 February] he expressed opinion that these documents provide for "liquidation of Belarus as a subject of economic management and international law."

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During Russian President Boris Yeltsin's visit to Belarus February 21-22 the parties signed a treaty on friendship, an agreement on joint border activity, etc.

On January 6 representatives of the Russian and Belarusian governments concluded several agreements, including an agreement on customs union, on creation of financial-industrial groups, and two military agreements in accordance with which two sites, strategically important for Russia, namely the early warning radar station in the city of Gantsevichi and control center of the Russian underwater fleet in the city of Vileika, are handed over to Russia for 25 years.

Naumchik is convinced that having, in particular, signed the customs 7agreement Belarus "is being involved into the orbit of the Russian present leadership's politics." In his opinion, it means that Russia's western customs border can automatically move to the Belarussian-Polish border with all economic and political consequences following this.

The opposition believes that "Belarus' paralyzed economy is driven in Russia's economic chaos and this excludes any hope for its revival."

Ukrainian Deputy Premier Visits, Deems Ties 'Exemplary'

WS2402093995 Kiev UKRINFORM in English 0800 GMT 24 Feb 95

[From the "Current Events" feature]

[FBIS Transcribed Text] The Belarusian capital, Minsk, welcomed the Ukrainian delegation which arrived there on Thursday, February 23 led by vice premier in charge of humanitarian policies Ivan Kuras. Mr. Kuras met with Belarusian Prime Minister Mikhail Chyhir, while the numerous Ukrainian delegation which came to Belarus to attend the Days of Ukrainian Culture and Arts in Minsk, received the citizens' friendly greetings on the glorious and sunny Thursday afternoon. Later in the day, Mr. Kuras held a press conference.

Speaking in an interview to UKRINFORM's correspondent, Ukrainian Deputy Prime Minister Ivan Kuras said that Belarusian-Ukrainian relations might be referred to as exemplary in all respects. According to Mr. Kuras, the Ukrainian delegation comprises as many as 165 people, including many celebrated performers.

Arms Destruction Paused Due 'Visible Disbalance'

LD2302212395 Moscow INTERFAX in English 1946 GMT 23 Feb 95

[FBIS Transcribed Text] MINSK, Feb 23 (Interfax-West)—Belarusian President Alyaksandr Lukashenka told a solemn evening to mark the Fatherland Defender's Day that he had ordered to pause the destruction of military hardware in the republic.

Lukashenka made it clear that the decision was motivated by a "visible disbalance of forces in the world" rather than lack of funds. He referred to the widely discussed plans to expand NATO with Central and East European countries. As a result of the step, Belarus will find itself virtually bordering with NATO.

Lukashenka questioned Belarus' neutrality and supported a new system of national security. He said he had set up a dedicated working group to develop the country's new military doctrine.

Commenting on Boris Yeltsin's recent visit to Minsk, Lukashenka said they had agreed on joint efforts in guarding Belarus' borders with Latvia, Lithuania and Poland.

Lukashenka remarked that "not a single Belarusian soldier will fight outside Belarus, as stipulated by the republic's legislation."

Complying With CFE Suspended for Financial Reasons

LD2302174895 Moscow INTERFAX in English 1629 GMT 23 Feb 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MINSK, Feb 23 (Interfax-West)—Belarus has no intention of walking out of the CFE [Conventional Forces Europe] agreement on conventional weapons cuts in Europe, a government source told Interfax in Minsk on Thursday [23 February].

He said President Alyaksandr Lukashenka "has ordered to suspend the destruction of excessive conventional arms" because of the country's financial difficulties.

Under the agreement, Belarus is expected to destroy 2,171 tanks, 167 aircraft, 1,087 APCs and 333 armored vehicles.

Belarus plagued by economic crisis is having to spend more than the United States, Britain and France put together on the destruction of conventional weapons, the source said.

And he added that Minsk's spending on the elimination of the after-effects of the 1986 Chernobyl nuclear plant accident ran at 15% of its annual budget.

The source said that last year, Washington allocated a large sum of money to help Minsk destroy its weapons but this amount was inadequate. Subsequently, President Lukashenka had to suspend the operation after failure by the past and present governments to persuade the West to increase its aid.

Ministry Registers U.S. Business Center Enterprise

WS2402122895 Minsk BELAPAN in English 1200 GMT 23 Feb 95

[FBIS Transcribed Text] Within the framework of the implementation of the project for establishing a United

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States business center in Minsk, the Ministry of Foreign Economic Relations has registered the "United States Business Center" foreign enterprise. All the necessary documents for the examination of the question of allotting a plot of land for the construction of the center are ready. The question is expected to be solved at the beginning of March.

Trade Union Federation Persuades Wage Increase

WS2402122995 Minsk BELAPAN in English 1200 GMT 23 Feb 95

[FBIS Transcribed Text] "We have achieved the maximum we could, but the minimum we needed," Uladzimir Hancharyk, chairman of the Council of the Federation of Belarusian Trade Unions [FPB], declared when commenting on the results of the trade union negotiations with the government at a press conference which took place on 23 February.

He told the press about two rounds of the negotiations and on a 5-hour conference with the participation of the president, the Cabinet of Ministers and the FPB which had taken place on 18 February. The conference was dedicated to the 1 March two-fold increase in the minimum wage.

According to Mr. Hancharyk, at the conference, the trade unions managed to persuade the president of the necessity to raise wages in view of the extremely difficult socioeconomic position of people, although National Bank Chairman Stanislaw Bahdankevich, opposed to that. The opponents of the wage increase cited the following arguments: This will lead to a new jump in inflation, the delay in the payment of wages will be inevitable because of the lack of resources, and the destabilization of the ruble [R].

Uladzimir Hancharyk admitted that there were grounds for such apprehensions. At the same time he pointed out that if the government revises its position on a number of questions (the crediting policy, the support for bankrupt enterprise and others), the possibility of managing inflation processes will be quite realistic. According to Mr. Hancharyk, Prime Minister Mikhail Chyhir adheres to a similar viewpoint. Among the would-be anti-inflation measures the FPB chairman named aid to enterprises in marketing, urgent measures against non-payments, and others. Uladzimir Hancharyk informed that within the next few days the president would issue a decree to raise the minimum wage from R30,000 to R60,000, or $5.20, on 1 March.

Moldova

U.S. Seen Favoring Moldova Over Dniester

MK2302112095 Moscow SEGODNYA in Russian 23 Feb 95 p 5

[Report by Yuriy Selivanov under the "Pressure" rubric: "West's Diplomatic Offensive on Dniester Region. Tiraspol Thinks it Is Connected With Moldova's Cherished Dream of Joining EC"]

[FBIS Translated Text] The Dniester Region has of late been a target of sorts for Western diplomacy. There is hardly a week without one or even two, as a rule, high-level delegations visiting Tiraspol. Over for a recent fact-finding trip in the Dniester Region was Max von der Stuel, OSCE high commissioner for ethnic minorities affairs, followed by Donald Atkins, head of the Council of Europe mission to Moldova. A group of high-ranking U.S. State Department officials also came, and leading personages of the Council of Europe are expected to arrive soon.

In the assessment of Dniester Moldovan Republic President Igor Smirnov, such diplomatic activism is a symptom of the West's preparations for some important political decisions in regard to Moldova. What is most likely is the republic's membership in the Council of Europe, something for which Chisinau has long been pressing. Since this organization is rather punctilious about admitting new members, the task of Western emissaries visiting the Dniester Region boils down to gathering information on the extent of the region's stability and the chances for a peaceful settlement of the Dniester problem. The important implication is that accepting Moldova as a Council of Europe member will become possible if Western experts' conclusions on the above matters prove encouraging enough. The Dniester Region, Mr. Smirnov stressed, categorically opposes hastily admitting Moldova to the Council of Europe. He feared that in this event Chisinau, aware of international support, would further stiffen its stance on the Dniester problem, which would rule out the possibility of settling it.

Delegations arriving in Tiraspol are at the same time tackling some other tasks, the main among which boils down to bringing political pressure to bear on the Dniester Region. Typical in this regard was the visit by a delegation of American diplomats led by Joseph Pressel, U.S. State Department coordinator of affairs for the newly independent states. This official minced no words in telling the Dniester Moldovan Republic president that Washington has political interests of its own in the region and would work for a speedy withdrawal of the Russian 14th Army from it. He also made it understood that the United States wholeheartedly supports the idea of an "independent and united Moldova" and sees no point in the existence of a separate Dniester Moldovan Republic.

The American diplomat's peremptory tone did not especially impress the Tiraspol leaders, but one has to note that Chisinau is correspondingly amending its political line taking account of the tough U.S. stance. This was in full evidence in the course of the latest Mircea Snegur-Igor Smirnov summit in Tiraspol. Despite the fact that the talks' agenda was agreed in advance with the experts, the Moldovan leader, just back from Washington,

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decided to "take the bull by the horns," as they say, placing in the center of the talks the obviously "heavyweight" question of the Dniester Region's status. Quite naturally, the dialogue immediately became deadlocked. Behind the scenes of the talks they were saying in this connection that although the talks formally proceeded under the aegis of Russia and the OSCE, the U.S. presence at them could be seen with the naked eye. Observers venture the view that the stance of unequivocal support for one of the sides in the conflict taken by the Americans can be hardly regarded as constructive.

European Backing Wanted To Secure Russian Withdrawal

LD2302152195 Moscow ITAR-TASS in English 1447 GMT 23 Feb 95

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[FBIS Transcribed Text] Chisinau February 23 TASS—President Mircea Snegur of Moldova today appealed to the leadership of the Council of Europe's parliamentary assembly to back his republic in implementing the agreement on the withdrawal of Russia's 14th Army, its armaments and ammunition from Moldovan territory.

The press service of the Moldovan president said the appeal was voiced during Mircea Snegur's meeting with Miguel Martinez, chairman of the Council of Europe's parliamentary assembly who is in Chisinau on an official visit.

The visit is part of the preparation for a parliamentary assembly session which will consider the admission of Moldova to the Council of Europe.

During the meeting, which was attended by Moldovan parliament chairman Petr Luchinskiy and Prime Minister Andrei Sangheli, the Moldovan president stressed that the negotiations on the settlement of the Dniester problem, which are mediated by a mission from the Organisation for Security and Cooperation in Europe and the Russian president's special envoy, inspire the hope for overcoming the differences and finding the final compromise solution as early as this year.

Miguel Martinez said Moldova would become a member of the Council of Europe this spring. According to him, difference lingering in the Dniester region cannot hamper the move.

Snegur Strategy to Solve Internal Conflicts

AU2302192995 Chisinau INFOTAG in English 1930 GMT 22 Feb 95

[FBIS Transcribed Text] Chisinau INFOTAG, 22/2/1995—Moldova's President Mircea Snegur proposed to elaborate a strategy of preventing and settling peacefully the internal conflicts. Addressing on Wednesday [22 February] the national conference "Strategy of Stable Human Development in Moldova," Snegur said that, according to experts' forecasts, the next century will see more internal conflicts than interstatal ones. "We should keep in mind that the degree of security and stability depends largely not on the level of armament, but on that of economic and spiritual development," said Snegur. He singled out as especially important for Moldova such problems as overcoming the poverty, providing jobs and adequate incomes, education, social protection, health care.

"The process of creating the new society and moving to market relations in Moldova led to many social problems, and it is necessary to take measures to improve the situation in the social sphere," Snegur said. He stressed that Moldova should not tolerate such a phenomenon as permanent unemployment. "First of all, we have to restore the production and to create new jobs to secure one of the main human rights, the right to work," the president said.

Parliament Approves Privatization Program

AU2302144495 Chisinau INFOTAG in English 1930 GMT 22 Feb 95

[FBIS Transcribed Text] Chisinau INFOTAG, 22/2/1995—By 59 "pros" and 23 "cons" Moldova's Parliament approved on Wednesday [21 February] the Privatization Ministry report on fulfillment of 1993- 1994 privatization programme. The parliamentary decision notes that 577 big, medium-size and small state enterprises have been privatized, as well as 46.5 percent of apartments (220,000), due to be privatized. Eight-hundred thousand citizens as well as 47 investment funds and trust companies participated in the process.

The deputies pointed out that the 1993-1994 privatization programme has not been fulfilled completely and charged the government to include the state companies, which had to be privatized in 1993-1994, in the privatization lists for 1995-1996.

The same day, Moldova's Parliament approved in the first reading the Privatization programme for 1995-1996. Ceslav Ciobanu, minister of privatization of Moldova, who presented the draft to the parliament, said that the new programme stipulates for finishing the mass privatization for patrimonial bonds by September. Starting from the second half of the year, Moldovan leu will become the main means of payment at the privatization auctions.

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Kazakhstan

Combat-Ready N-Bomb Said Rusting Away in Semipalatinsk

MK2402105095 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 24 Feb 95 p 1

[Report by Aleksandr Budberg: "Schwarzenegger Should Fly to Kazakhstan. An Ownerless Nuclear Bomb Has Been Found There"]

[FBIS Translated Text] In one of Schwarzenegger's latest blockbusters nasty Arab terrorists try to blow up several U.S. cities with four nuclear warheads bought after the USSR's collapse in Kazakhstan. When I saw the movie a month ago, I laughed at the free-wheeling fantasies of the Americans.... I shouldn't have.

In 1988-1989, the last series of nuclear devices in Soviet history was planted for underground testing at the test range near Semipalatinsk. These were "low-capacity" devices—of not more than 20 kilotonnes (that is, similar to those that destroyed Hiroshima and Nagasaki). They had time to detonate two devices, but one was never blown up. The Moscow authorities decided to introduce a moratorium on nuclear testing once again. No one had set aside money to extract the bomb from the silo—apparently, there was none. (A silo in which a nuclear explosion occurs is to be "closed" as if with a special "lid," so a new silo has to be dug to extract the device, a pleasure that is even more expensive than preparations for testing.)

In short, one COMBAT-READY device and one dummy nuclear bomb, which for scientific purposes was exposed to such radiation that it itself became highly radioactive, were left in the soil of independent Kazakhstan.

No one has checked to see what may have happened to them over the past seven years. Whether corrosion has gnawed at it is a murky question. MOSKOVSKIY KOMSOMOLETS's source, who is fairly close to the top military leadership, uttered a sophisticated phrase: "The period of guaranteed safety has already expired. Apparently, the device can no longer be dismantled at all. It seems that the Kazakhstan Government does not realize sufficiently well what kind of problem it is faced with."

Of course, even if there is a threat that radioactive substances may penetrate the soil (plutonium, for instance, is very poisonous by itself, without any radiation), consequences will not be more disastrous than they would have been in an explosion that had been planned some time ago, but never executed. What is more terrifying is that at the edge of the Earth, in a foreign state, there is an A- bomb ready for use guarded by 25 interior troop soldiers. Its status or future have not been defined in any way. What's more, there is equipment at the test range that can be used to detonate the device.

Officials at the Atomic Power Ministry, whom your MOSKOVSKIY KOMSOMOLETS correspondent asked to comment on the situation, could utter only one coherent phrase: "This is another state now." But what a bureaucrat may see as a reason for feeling at ease should, on the contrary, be a reason for the deepest anxiety for any normal individual. Uranium is already being smuggled out of CIS countries; now, it seems, is the turn of nuclear devices. Suffice it to recall the fate of the super-secret S-300 Russian air-defense system, which was left in Belarus. President Lukashenka and other Minsk leaders swore that they would never sell it to anyone. Nonetheless, no sooner had the CIA made a certain effort than the system emerged in the United States, while Moscow did not think it necessary to voice a protest to its Belarusian brothers over the incident.

Even in his outward appearance, Nazarbayev inspires more confidence than Lukashenka. But hardly anyone can give assurances that the hundreds of millions of petrodollars many are willing to pay to get hold of nuclear weapons will not make a difference. With this money anyone standing in the way can be removed. That same S-300, whose market value is estimated at at least $60 million, was sold at as little as $6 million. They say, however, that the Americans handed out another $40 million as bribes.

Clearly, no Russian agency would wish to take over this headache. There is certainly no money to fund any "active measures," while local authorities no longer allow the detonation of anything in Semipalatinsk. But however hard officials might try to reassure us, the whole world is effectively sitting on an ownerless nuclear bomb. One had better not try to imagine how this "great sitting" might end.

Uighurs Protest Chinese Nuclear Testing

95WP0049A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 17 Feb 95 p 3

[Article by Valery Kikishin, KAZAKHSTANSKAYA PRAVDA: "A Voice of Protest"]

[FBIS Translated Text] "We, a group of Uighurs living in Kazakhstan, have learned from the newspaper GOLOS VOSTOCHNOGO TURKESTANA that the Chinese authorities are preparing for another, the 42d, nuclear test explosion on the Lob-Nor proving ground, and we are disturbed about the fate of the people living near and around the proving ground and also the health and lives of the people of our republic..."

Thus begins the message to the chairman of the Chinese Communist Party, Jiang Zemin, from residents of the village of Shylik in Almaty Oblast, K. Yusupov, A. Tairov, I. Gapparov, and S. Sautov, which they sent to the Chinese Embassy a couple of days ago.

The message emphasizes, with reference to the investigation of I.Ya. Chastnikov, a deputy of the Supreme Council of the Republic of Kazakhstan and a corresponding member of the National Academy of Sciences, that as a result of the nuclear weapons tests there is a

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sharp increase in infant and maternal mortality as well as the incidence of oncological diseases and malignant tumors. They express confidence that the Government of China will make the wise decision to halt testing of this deadly weapon so that all peoples of the world may enter the 21st century without aggression and occupation, without evil and hatred, without suffering and bloodshed.

The message makes an appeal: Let there be on earth only human joy, creative work, and friendship among peoples. In conclusion wishes of well-being and prosperity are conveyed to the Chinese people.

Interfax Carries Nazarbayev Interview

LD2302191895 Moscow INTERFAX in English 1515 GMT 23 Feb 95

["Exclusive" report No. 8 (110) of 23 February 1995: Vyacheslav Terekhov Interviews Nazarbayev at Commonwealth's Almaty Summit]

[FBIS Translated Text] [Interfax] First of all, let us broach problems of the Commonwealth of Independent States. You presented a great analysis of last year's developments in the Commonwealth of Independent States to the summit. What is your vision of the Commonwealth's strategic and tactical goals in 1995? What is your vision of the Commonwealth in the year of 2000? What will be its structural makeup? Will the Commonwealth transform into something on the order of the Council of Europe or into something else?

[Nazarbayev] Last year I suggested the creation of a Eurasian Union on former Soviet territory. I keep seeing that suggestion as promising. Even though the October summit did no more than "take that suggestion into consideration," I feel that decisions by the Council of the Commonwealth's Heads of State come in the mainstream of the idea of the Eurasian Union because the heads of state confirmed the basic principles for Commonwealth integration.

I am confident that the cornerstone must be laid by the Economic Union which is to be created under the Moscow agreement on the interstate economic committee. The agreement speaks in fine detail on moves for integration.

As the first step toward the realization of last year's document, a customs union was concluded between Russia, Belarus and Kazakhstan. But some Commonwealth republics are not yet ready to follow concerted customs policies. A customs union is a complicated undertaking that takes more than 24 hours' work.

I am confident, though, that once Russia, Belarus and Kazakhstan build a working customs union, remove barriers and levy no duty on the shipment of cargoes across each other's territorry, or, in other words, create a normal kind of market relations, everyone will see that their policies bear fruit and are to be followed.

It is important for us to give up those policies that scare away potential partners by their close resemblance to those of the Soviet Union and their imperial tinge. To transform into an association on the order of the West European Union, the Commonwealth of Independent States needs time and has to make every nation, big and small alike, feel equal. So far, however, big nations thrive on being big and small nations feel that they are small. There is no room for this in western Europe. Neither Germany nor Britain nor France want to make small Belgium feel its smallness. I have no intention of bringing charges against anyone, least of all against the Russian leaders but I pin no great hope on 1995. These days everyone is promoting bilateral relations in his own interests.

[Interfax] As a result of which the Central Asian republics of Uzbekistan, Kyrghyzstan and Kazakhstan formed an autonomous alliance ?

[Nazarbayev] I would like to put an end to speculations on the political union of the Central Asian republics. The republics formed a purely economic union. Its charter calls for expanded regional cooperation. If this kind of cooperation proves effective, so much for the better. Why not try everything? This kind of regional tests are very useful. Russia and Belarus could form an excellent economic alliance. Russia and Kazakhstan as well as Kazakhstan and Uzbekistan will eventually bring other nations to realize the need for integration.

[Interfax] Much is being said about the plight of the Russian-speaking residents of the former Soviet republics. What about the Russian- speaking community of Kazakhstan?

[Nazarbayev] Russia has extended till 2000 the period in which it grants its citizenship. But not every immigrant feels happy in Russia. Incidentally, this is something I brought up in a recent discussion with Boris Yeltsin. Just imagine all the 25 million ethnic Russians rushing back into Russia. Will the Russian Federation be ready to receive and accommodate them? In Kazakhstan they have a shelter, have jobs and have some savings.

No one raises objections to their emigration and the transfer of their property. They can sell the stock they own here in Kazakhstan. But I don't think that people who go back to their "mother country" only to feel miserable there, will love the Russian leaders. Ethnic Russians return to Russia from Tajikistan, the Caucasus and the neighboring republics. Last year 55,000 ethnic Russians arrived in Kazakhstan. Even many of those who left Kazakhstan some time ago, return to settle here. It is essential from both the political and economic points of view to provide them with normal living conditions.

This is why Kazakhstan will promote bilateral relations with both Russia and Kyrghyzstan and Uzbekistan. Its relations with Turkmenistan will expand, too. In April

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Ukrainian President Leonid Kuchma will be expected to visit Kazakhstan. Expanded bilateral and trilateral relations work for more trust.

[Interfax] What is the Central Asian Bank ?

[Nazarbayev] The Central Asian Bank intends to finance a number of projects and every country of this region is to own stock in it. It is going to focus, among other things, on pharmaceutical production. Kazakhstan, for example, grows plants that are used as pain-killers. Used as components of medical drugs, they will sell throughout the region.

Another project it is going to finance, is the production of gas, electricity and water meters. We have to take stock of everything. We have yet to learn to save.

There are plans for building a big A-class cargo transfer airdrome someplace on the Uzbekistan-Kazakhstan border. The geography of that area favors bulky payload air transfers.

I am confident that economic integration will lead us to political unity.

[Interfax] Let us go back to the problem of interethnic relations. It is a burning problem in northern Kazakhstan.

[Nazarbayev] It is no secret that Kazakhstan is a multinational republic. And its Constitution and minor laws protect all its people, regardless of their ethnic backgrounds. The Constitution of 1992 is, of course, a compromise. It was adopted when the republic felt euphoric on the wave of its newly-won independence. Frequently one could hear that Kazakhstan used to be a colony, suffered infringement on its rights, etcetera.

Kazakhstan's Fundamental Law is, in fact, a lop-sided document although I feel that inasmuch as it addresses the rights of people of different ethnic backgrounds, it is the best on former Soviet territory, with the possible exception of the Russian. Can it be compared to the Estonian? There is the same percentage of ethnic Russians in Estonia and Kazakhstan but Kazakhstan made no move to deny citizenship to ethnic Russians. One has to live at least ten years in Estonia and pass a language and legal qualification test to become a citizen of the Estonian republic. There is nothing compaarable to it in Kazakhstan.

There used to be one Soviet Union, a kind of our mutual mother country. It is no more. Instead, Tajikistan and Chechnya have emerged as disturbing factors. A man gets to think about what comes next. Where is he to live? What lies in store for his children and grandchildren? All this thinking brings him to emigration. And emigration should not be encouraged with promises of shelter foor everyone. What kind of policies are these?

The history of multinational Kazakhstan goes back to the industrialization of 1935 when experts came from the Europeran part of the Soviet Union to develop the copper deposits of Balkhash. Then, almost 22.5 million of people came here from all over the Soviet Union to put to use the Kazakh virgin lands. I am coming close to the problem of naturalization.

There are two ways to handle this: one either leaves the place right away or demands dual citizenship rights to make sure that he is not dropped overboard in Russia. Who is waiting for common folks in strange lands and what kind of living conditions do the immigrants come to face? But those who decide to demand dual citizenship rights are straddled with another kind of problems. Let us assume that two of Kazakhstan's five million ethnic Russians would like to become citizens of the Russian Federation. What will be the others' attitude to the people who come to own two passports. It is just like when you board a plane to find out that 30 percent of the passengers are provided with parachutes and 70 percent—are not. People with dual citizenship rights will be denied security clearance and important job positions. They will be regarded as semi-aliens or second-class citizens. And the best laws in existence will be unable to save them. Why replace one conflict with another?

So I suggested free citizenship for Russia and Kazakhstan. In another five or six years the crisis will be over, the economic situation will stabilize and people will be free to choose where they want to live. It took us a year to make this suggestion. But the suggestion blazes no new trails: The United Nations and other international organizations oppose dual citizenship because they are trying to avert new conflicts.

The second question is the language question. Kazakh is the only official language in Kazakhstan. We declared Russian a language of inter-ethnic communication which is very important in a multi-ethnic country. The Kazakh government is working on a special program to promote Russian. I am constantly saying that it is the language which gives us access to the rest of the world, one of the six languages of the United Nations. Whether we like it or not, in Kazakhstan Russian is used in government, in parliament, at conferences—one should use a language that is understood by everyone.

Do you know what would happen, if we put it down in the constitution, that both Kazakh and Russian were official languages? Five out of eight million Kazakhs would most surely be against and we would get an explosive situation. Is that a solution of the problem? Of course, not.

It is a different matter that the articles of the constitution should be strictly observed under which discrimination for a poor knowledge of Kazakh or Russian is banned.

Probably we should have written down that the requirement to government officials to know Kazakh will come into force in 20 years. The program of teaching Kazakh should be carried out beginning with day-care centers. Our children will study it in school and college and in 20 years we can require every person to know Kazakh on

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the job. Time will pass, the economic situation will improve, more attention will be paid to language teaching at all companies, text-books and dictionaries are going to be published. That is why nobody in Kazakhstan demands immediate knowledge of Kazakh by every person.

Everyone in this country should respect the fact of living in the ancient land of the Kazakhs. The Kazakhs have no other ethnic homeland anywhere in the world. They have lived only here for thousands of years.

I think that the Russians and the Kazakhs have very similar mentalities: they are open-minded, trusting and hospitable. Our national traits are almost alike. But it is insulting when people do not know even how to say "hallo" or "thank you" in Kazakh.

Recently I suggested forming an Assembly of the Peoples of Kazakhstan that would guarantee the observation of the constitution and the rights of all ethnic groups.

[Interfax] Are there any stumbling blocks on the road of partnership and friendship between Russia and Kazakhstan?

[Nazarbayev] The personal aspect of relations between countries is very important. My relations with President Boris Yeltsin, Prime- Minister Viktor Chernomyrdin and other Russian leaders are normal: there is no mistrust between us the way it should be. I want to remove all mistrust between Kazakhstan and Russia.

But we know from the history of international diplomacy that friendship ends where national interests begin for a head of state. It is my policy to deepen understanding and rule out any manifestations of mistrust in relations between Kazakhstan and Russia.

It would seem that the religion and Turkic roots of the Kazakh would prompt the direction of our strategy. But we are on the threshold of the 21st century! In the modern world ethnic and religious factors are of secondary importance.

Partners will not be chosen according to religious or ethnic grounds. Every country will face tough requirements of survival and competition. If you want to prosper, you will have to win a place under the sun in tight competition. This is an especially difficult task for smaller countries.

That is why the continuation of strategic partnership with Russia is an unchanging, balanced policy.

I am surprised that some Russian "pragmatists" do not understand the benefits of such partnership for Russia.

The ousting of Kazakhstan from the ruble zone is a classical example of such false pragmatism. I firmly stood for keeping Kazakhstan in the ruble zone, while Shokhin and Fyodorov (Russian former deputy prime-minister and former finance minister) thought that extra weight should be dropped off.

Here Kazakhstan was ready to meet all Russia's requirements and surrender its financial sovereignty. What does financial sovereignty mean? Everything! For days on end I had to persuade the parliament to give up sovereignty and ratify the document on keeping the ruble zone. And when I reached the impossible, Shokhin came and said: "Why do you need that for, Mr. Nazarbayev? The Russian train is going down, do you want to jump into the last car to crash with us? Kazakhstan with its powerful potential will survive better alone." I said: "You must be joking." So Shokhin says: "I deeply respect you and that is why I came here to tell you this." After that we had to hastily carry out the plan of introducing our own currency. The tenge banknotes were printed in Britain and are very safe.

In conditions of top secrecy the banknotes were flown here from Britain on four cargo planes. The entire operation was supervised by the National Security Committee in all regions and banks. For the sake of security it was written on the packages that they contained new passports, not banknotes. Finally on November 11, 1993 I officially announced the introduction of a national currency. I did not tell the story to anyone before, by the way.

I would want to remind you that Kazakhstan is the only CIS country not indebted to Russia.

Two more examples. In Soviet times the Rosselmash farm machinery plant in Rostov-on-the-Don with a staff of 100,000 Russians manufactured Don harvesters for Kazakhstan. The machinery is meant for big fields. So what came of the disruption of our ties? If Don harvesters are sold at the price of German harvesters the productivity of which is four times greater, fuel consumption 30 percent lower, grain losses 80 percent smaller, what do you think we are going to buy? And there was a possibility to sit down to the negotiating table and agree.

Or take the Kirov Works in St.Petersburg which manufactured the famous K-700 tractors designed only for our expanses. Now the plant also stands still.

I say nothing of our ties with Ukraine and Belarus.

I am convinced that the question of integration and survival will remain of paramount importance in the 21st century as well. It is not accidental that the Untied States is advancing together with Canada and Mexico. And in South America they are pooling efforts. The Arab world also tries to unify.

[Interfax] Do you think Russia has realized these mistakes?

[Nazarbayev] I have not asked. You have more chances for that. But I do not think so.

[Interfax] You signed a decree offering special benefits to war veterans. What does it boil down to?

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[Nazarbayev] None of the CIS countries has such benefits. It is important to celebrate V-E day, of course. But the main thing in the present difficult circumstances is to take care of the veterans and invalids of World War II. Kazakhstan has 90,000 war veterans and 40,000 invalids.

Under the decree since last June war veterans have been fully freed from the payment of utilities, medical bills, transport fares or barbers' bills. They can attend entertainments and sports events free of charge. Once a year a veteran can travel to any country of the CIS and the government will pay his or her tickets.

I can add that average earnings in Kazakhstan are now 4100 tenges ($1=55 tenges). In industry average earnings are 5000 and the highest in banking—13,000. If all the benefits are summed up and converted into money, they make 9000 per war veteran which is twice as much as the average earnings!

But not all veterans use a telephone, though it is free. Not everyone uses public transport or burns coal for heating. I had the idea of paying every veteran 9000 tenges a month instead of offering benefits, especially as many officials make a living by them, but the idea was not supported.

Cultural workers are in much more difficult conditions, that is why I formed a presidential foundation to support culture and the arts and offered 200 grants which is a big figure for Kazakhstan. The grants are given to 97 prominent writer and to young talented composers, actors, musicians and artists. The grants amounting to ten minimal salaries are paid once in a quarter. By the way, there are war veterans among those who receive grants.

It must also be said that an impressive fund was formed in keeping with my decree in every region and town headed by veterans themselves, so they can decide whether money should be spent on celebrating somebody's birthday, helping with someone else's funeral, offering emergency aid etc.

[Interfax] There are also questions related to a much discussed subject: Russian-Kazakh cooperation in oil extraction and transportation.

[Nazarbayev] This is an extremely important thing for us. Kazakhstan now annually extracts 25-27 million tons of oil and the potential resources run into scores of billions of tons which makes the question of transportation to the world market extremely topical.

I can perfectly understand Russia's interest in cooperating with Kazakhstan in this sphere. This is quite normal. All countries in the world want to be involved in oil and gas projects because they are profitable. I can only reiterate that Almaty is determined to work on the question of transporting Kazakh oil in close cooperation with Russia.

[Interfax] But you do not intend to renounce links with other countries in this sphere either?

[Nazarbayev] Of course, not. The thing is that Moscow is unable to invest as much in the Kazakh oil transportation system as U.S. or British companies.

I think it is important to mention the prospects of the Caspian Pipeline Consortium formed by Kazakhstan, Russia and Oman. Last January the three signed a protocol on beginning the first stage of constructing the pipeline system worth $1.2 billion for exporting oil from Kazakh deposits through Russian ports.

Consortium members confirmed Oman's right to look for an investor for placing 25 percent of the consortium's B class shares which do not give additional voting rights compared to other sides but guarantee all the profits and economic benefits of the project. At the moment Russia has 34 percent of shares in the consortium while Oman and Kazakhstan have 33 percent each.

[Interfax] When can the end of the first stage of the project be expected?

[Nazarbayev] I think that if construction work begins in the near future, the first stage can be completed in a year or 18 months.

I want to say that there are also alternative routes of oil transportation, such as the construction of a pipeline across North Iran to the Persian Gulf. There is also the possibility of building a pipeline from Krasnovodsk (the Turkmen coast of the Caspian sea) along the bottom of the Caspian to Baku and then joining the existing Iraqi-Turkish pipeline to the Mediterranean.

I understand the stand of Turkey that believes that the environmental situation in Bosporus will not allow the transportation of all the oil to be delivered to Russian ports through the Caspian Pipeline Consortium. I have been at Bosporus and agree that a tanker accident in the narrow strait can have disastrous environmental consequences.

In this context Almaty is considering the option of building a pipeline across North Turkey to a terminal on the Mediterranean.

Baymakhanov on Constitutional Court System

954F1437A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 17 Feb 95 pp 1-2

[Interview with Murat Tadzhi-Muratovich Baymakhanov, chairman of the Constitutional Court, by Elmira Pashina, KAZAKHSTANSKAYA PRAVDA; place and date not given: "At First Hand. If Nobody Defends the Constitution, the Society Is Threatened by Anarchy or a Return to Totalitarianism"]

[FBIS Translated Text] **What do we know about the chairman of our republic's Constitutional Court? Practically nothing. So let us get acquainted with Murat Tadzhi-Muratovich Baymakhanov.**

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....He graduated from the jurisprudence faculty at Moscow State University and graduate school at the Institute of State and Law of the USSR Academy of Sciences. That was quite a while ago, but he still has friends in Moscow and other cities of Russia and in almost every republic of the former Union. In general, most of his life has been associated with Almaty and the Institute of Philosophy and Law—for no more nor less than 30 years, from 1962 through 1992. After he left, he headed up the Institute of State and Law of the republic Academy of Sciences. And he began as a junior research associate.

[Pashina] People in positions like this are associated with, excuse me, the "ivory towers"....

[Baymakhanov] If I tell you that my wife is a scholar—a doctor of biological sciences and professor—and that my daughter has followed in my footsteps, you will be even more convinced of that.

I have a typical family, with its little joys and pains. The only thing I regret is that I never have enough time. Sports, the theater—on major holidays. I do not know whether I should admit it or not, but in rare free hours I enjoy reading detective novels.

[Pashina] A kind of escape from reality?

[Baymakhanov] It is more like shifting gears.

[Pashina] What is the source of the negative energy field that has been hanging over the Constitutional Court for so many months? After all, you have people who think as you do and, which is very important, they are professionals.

[Baymakhanov] You are right, I am closer to the position of Minister of Justice N.A. Shaykenov, who thinks that the Constitutional Court should be retained as an independent unit of the judicial power. And it is not a matter of wanting to keep the position I hold; it has to do with the essence of the problem. The Constitutional Court is an organ that is intended to provide judicial protection of the Basic Law. It considers cases of subjects defined by the legislator and also the findings of courts concerning the compliance with the Constitution of existing laws and acts and the republic's international contractual and other obligations. Let me note that these things not been handled by any of the currently existing judicial, administrative, or other state organs.

But the functions of the Constitutional Court do not include disclosing legal violations or filing charges against defendants, which makes up the major content of the work of the general courts, including the Supreme Court. Moreover, while the Supreme Court functions as a plenum, a presidium, a criminal, civil, and military collegium, the Constitutional Court does not have this kind of differentiation. Recently cases with a single sitting judge have become more widespread in general, and especially in arbitration courts, while the Constitutional Court considers cases only with all judges present. With this dissimilarity of tasks, functions, organizational structure, forms, and methods of activity of the Constitutional Court and the High Arbitration Court, it would be practically impossible to combine them, or at least this would assume careful preparation. As a minimum, it would first be necessary to undertake fundamental organizational and structural "reduction" of all three courts to a common denominator and to unite all branches of material and procedural law, by which they are guided and which so far do not have a common focus. In this connection, I would like to remind you that the simplified approach to the creation of a unified judicial system that has been publicized and spread by certain practical workers and attempts to force this process without taking into account the difficulties that arise could throw the judicial power into a state of complete disorganization and imbalance. Then there would be no confusion about which section of the path our society is on and whether it is adequate to its time.

[Pashina] In a time of changes, when points of reference have eroded, when people need protection more than anything and are not finding it, obviously, the question of abolishing the Constitutional Court is premature. But could you give specific examples to clarify why our Constitutional Court needs protection?

[Baymakhanov] It seems to me that M.S. Narikbayev, deputy chairman of the Supreme Council, when speaking about the lack of need for protection of the Constitution, was proceeding not so much from today's realities as from the conditions of the recent past, when the Constitution was a formality, for show, and had little impact on vital processes. Then, naturally, there was really no question of protecting it.

The situation changed radically when the Constitution was re- embodied into a real regulatory document, which serves as a guide to daily practical activity. Under these conditions, previous declarations about the importance of the Constitution turn out to be clearly inadequate, and there arises a critical need to reinforce them with an effective mechanism guaranteeing the fulfillment of constitutional prescriptions by all organs, officials, and citizens. In particular, if acts that are called upon to make the Constitution more detailed and concrete are actually aimed at achieving the opposite goals, preserving its legal force introduces dissonance into the activity of the entire legal system and sometimes even paralyzes it. Such acts damage the Constitution, and there arises a need to protect it from them.

[Pashina] Be more specific, if you could....

[Baymakhanov] As we know, the 1993 Constitution established equality of all property owners under the law. But current legislation in one form or another has continued as before to give priority to state property owners, granting them unjustified privileges and advantages, and thus placing them in a preferential position over, say, private property owners.

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One must assume that this is why Boris Giller's philanthropic journalist fund filed suit with the Constitutional Court for verification of the constitutionality of the provisions of the law "On the Value-Added Tax." The latter exempted the state mass media (newspapers, magazines, publishing houses, information agencies, television and radio broadcasting companies) from the aforementioned tax, while analogous private enterprises and organizations continued to bear a heavy tax burden.

In the opinion of the Constitutional Court, this approach not only violates the constitutional principle of equality of all forms of property, but also limits competition among the mass media and contributes to preserving monopolies. Therefore, certain provisions of the law "On the Value-Added Tax" were declared unconstitutional.

Another example. In response to the suit filed by the Kazakh Republic Committee of the Trade Union of Workers of Culture and also individual citizens, the Constitutional Court declared the norms of the government decree of 17 April 1991, "On the Policy for Hiring and Discharging the Manager of a State Republic Enterprise," which established the contract as the only basis for arranging labor relations, to be at variance with the Basic Law of the state. The practice involved in the use of the contractual form of labor relations in the system of the Ministry of the Press and Mass Media and the Kazakhstan television and radio broadcasting company was also declared unconstitutional. In other words, the Constitutional Court considered it wrong to force workers with whom labor agreements had previously been concluded for a particular period of time to change over to a contract.

I do not think it would be out of place to emphasize that the situation that has developed will be corrected not automatically, but through the efforts of a competent state organ in the form of the Constitutional Court. And that is the way it should be in the future—especially in complicated, confusing cases.

[Pashina] Today there is such a diversity of opinions over the proposed amendments to the Constitution regarding land, languages, the preamble—over the essence of statehood. I would like to know your opinion.

[Baymakhanov] Two years ago the magazine MYSL published an article pertaining to our republic's draft Constitution, in which it spoke out unequivocally in favor of allowing private ownership of land. Since that time I have become even more convinced, and I am confident that a transition to market relations will be impeded because of the fact that one of the most important natural-economic, production, and raw material objects—the land—has been withdrawn from the sphere encompassed by them. This directly or indirectly affects the entire reform policy and makes the measures undertaken by the government half-hearted and incomplete.

As for the language, to be honest, I do not see any particular need to revise the constitutional provisions regarding this issue, since, for example, there is no particular inclination to impose the state language: The same thing can be said about business correspondence and daily communication. But by developing Article 4 of the Transitional Provisions of the Constitution, one could establish additional guarantees of free use of both the language of interethnic communication and the languages of national minorities. This, in my view, would be reasonable.

Further. It is necessary to avoid bias and one-sidedness when evaluating the description of our modern state contained in the Constitution. Here, I assume, we must take two constitutional formulas together, analyze them, and compare them: "We, the people of Kazakhstan..." and "The Republic of Kazakhstan as a form of statehood of the self-determining Kazakh nation..." These formulas are inseparable: It is at least incorrect to separate one from the other and certainly to juxtapose them. The former has to do with the essence of our state, its sociopolitical and ethno-demographic base, while the latter pertains to its form. The chairman of the Committee on State Construction and Regional Policy of the Supreme Council, Yu.A. Kim, is absolutely right in adhering to this particular interpretation in questions of statehood. But if one is to take the problem of the Constitution as a whole, I am not in favor of radically reshaping it. It has not yet fully revealed its potential results, and it is necessary to allow time for this process to freely develop.

[Pashina] Legal scholars are convinced that politicians are not able to provide a strong legal base for the Constitutional Court, thinking that only legal experts can do this. Some hasten to accuse them of ambition, while others see in this a denial of the parliamentarians' competence. What do you think?

[Baymakhanov] I would not absolutely put politicians and legal scholars in separate categories, for everything depends on the world view, attitude, and civic position of each of them. Some politicians who know nothing about jurisprudence could be much more progressive than a professional lawyer, especially if the latter has been programmed to fill some particular social order.

Or take the members of parliament who are lawyers: Certain of them have firmly placed themselves in the right wing of the parliamentary body, devoting their knowledge and experience to conservative goals. One can only wish that every time parliament convenes there will be as many politicians and lawyers with progressive views as possible. Then the hope of accelerating the process of building a rule-of-law state and a civil society, establishing genuine democracy, and creating a strong legal base for the activity of the Constitutional Court will begin to be realistic.

[Pashina] What kinds of cases have been considered in the Constitutional Court recently?

[Baymakhanov] Two months ago we considered two cases. In a suit filed by A.S. Yerokhin and L.I. Potanina,

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part five of Article 211 of the Code of Labor Laws was declared unconstitutional. It encroaches on the citizens' right to judicial protection, limiting it to a period of a year without renewal. Another case brought in a suit by Supreme Council Deputy V.V. Chernyshev pertained to two provisions of the Code on Elections in the Republic of Kazakhstan—on the election pledge and on the introduction of the obligation to collect 3,000 signatures in support of a candidate deputy to the Supreme Council from the electoral district and to exempt a candidate on the state list from this.

Having deemed the norm on the election pledge not to be at variance with the Basic Law, the Constitutional Court noted, however, that it functioned under conditions whereby the national currency was being introduced and the time periods of the election campaign had been reduced, and this complicated the citizens' exercise of their right to be elected. As for the second disputed provision of Article 60 of the Election Code, here the proceedings were suspended, because this question is within the jurisdiction not of the Constitutional Court but of the parliament.

Several cases were terminated during the preparation or during the judicial investigation because of the abolition of the acts whose constitutionality was being tested. For example, the Trade Union Federation of Kazakhstan disputed the decree of the Cabinet of Ministers of 17 March 1993, No. 201, "On Approval of the Rules for Reimbursement by Enterprises, Institutions, and Organizations With All Forms of Ownership for Damages Caused to Workers and Employees by Injury or Other Harm to the Health in the Performance of Their Official Duties," whereby in the absence of a legal successor the payment of the sum for reimbursement of damages is paid from the social insurance fund.

But the case that was brought was soon terminated since by the decree of 16 December 1994, No. 1417, the Cabinet of Ministers replaced the disputed norm with a new one, according to which, in the event of the termination of the activity of the enterprise which is ordered to pay the damages, the payment is made according to the procedure envisioned by civil legislation.

There was a similar solution to the problem in the case testing the constitutionality of the decree of the Cabinet of Ministers "On Measures for Improving Payment of Pensions and Grants": Two days before the judicial hearings, the Cabinet of Ministers adopted an act that changed the procedure for delivery of pensions and grants, as a result of which the demands of the plaintiffs—a group of pensioners—were satisfied. The case was terminated in a judicial hearing.

In the aforementioned cases, no full-fledged decree was adopted, but the purpose of the legal proceedings was accomplished, that is, the unconstitutional acts were eliminated, and that is the main thing.

When considering specific cases, the Constitutional Court is guided by the principle of superiority and unconditional priority of the Basic Law, which no other legal act may contradict. It shall continue in the future to strive to ensure synchronicity and coordination of the Constitution, constitutional and current laws, presidential edicts, and government and departmental acts. This is what we call constitutional legality.

[Pashina] You have an opportunity to express your wishes to the mass media in the elucidation of events and facts.

[Baymakhanov] Objectivity and again objectivity. I myself have encountered tendentious coverage of my activity and the work of the Constitutional Court as a whole, and I can tell you that in this situation a person can frequently feel simply helpless. Our people's mentality, which has developed over the decades, does not dispose them to defend honor and dignity, and they are more inclined to reconcile themselves to injustice. I do not think that journalists should forget about the extreme power of this weapon that is in their hands and the need to display maximum caution and even-handedness in using it.

[Pashina] How do you see Kazakhstan's future?

[Baymakhanov] When picturing Kazakhstan's future, everyone proceeds from a whole set of indicators from various spheres of life. I shall discuss only one of them. I would like for the current generation of Kazakhstan citizens to have the opportunity to live in a genuinely democratic rule-of-law society in which the principle of separation of powers is established not in words but in deeds. Of course, in tomorrow's society the rights and freedoms of the individual will be unshakeable, and there will not be the kind of arbitrariness of the apparatus and the bureaucrats that is simply poisoning today's life. The political tone of the society should be high: The parties, trade unions, and other associations will be able to engage in serious dialog about how to go on living, to reveal abuses, and to hold the guilty parties responsible, and the deputies should be in a position to affect the solutions to key government problems. And, of course, the judicial power, having overcome its present weakness, should become an effective lever for ensuring the observance of the Constitution and the laws.... The path to such a society is thorny and difficult. But in this case the end will justify the means.

Tajikistan

Rakhmanov Message to CIS Heads of State

LD2302191695 Moscow INTERFAX in English 1736 GMT 23 Feb 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] A relay-race devoted to the 50th anniversary of the Victory Day was started from

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Dushanbe Thursday. Its route is laid along the CIS outer boundaries with its final points in the cities of Brest and Vladivostok.

A message of President Emomali Rakhmanov addressed to the CIS heads of states and peoples is enclosed in the capsules which have been handed over to participants of the relay-race. In his message Rakhmanov calls to do everything in order to eliminate hearths of confrontation which appeared inside the CIS, not to allow to separate peoples into warring camps, and to strengthen ties of friendship and cooperation which connect CIS states and peoples for a long time.

Speaking at the meeting devoted to the second anniversary of the creation of the Tajik army the same day in Dushanbe, Rakhmanov said that it is a great honor for Tajikistan to start the relay-race on the republic's territory.

He congratulated Tajik and Russian servicemen and frontier guards (Russia marks February 23 as the Day of the Fatherland's Defenders - Interfax) with their professional holiday and expressed his great gratitude on behalf of the Tajik people for their difficult service.

In Rakhmanov's words, more than 260,000 Tajiks went to the front in the years of the Great Patriotic War. Every fourth of them died in the fights for their homeland. "Let the relay-race bring Tajikistan's great gratitude to all participants of that war and to the CIS peoples for their support and assistance in the tragedy which the republic survived three years ago," Rakhmanov said.

He expressed hope that participants of the relay-race would retell about heroic deeds of the Russian frontier guards in Tajikistan "who firmly defend the Commonwealth's southern boundaries," will retell the truth about the noble mission which the collective peacekeeping forces, "which have become the guarantor of peace and stability in Tajikistan and the Central Asian region as a whole," fulfill in the republic.

Rakhmanov said that restoration of the republic's economy which was destroyed by the civil war and urgent implementation of reforms "under a reliable defense of the Tajik army and valiant Russian frontier guards" is the country's major task.

Commander: Bus Attack 'Extension of Terrorist Acts'

LD2302141795 Moscow ITAR-TASS in English 1346 GMT 23 Feb 95

[By ITAR-TASS correspondent Galina Gridneva]

[FBIS Transcribed Text] Dushanbe February 23 TASS—Commander of Russian border troops in Tajikistan Lieutenent-General Anatoliy Chechulin told a news conference today that the fire attack of a military bus today was an extension of terrorist actions against the Russian troops stationed in Tajikistan.

The bus with medical personnel, mostly women, was going from a Dushanbe district to a military hospital of border troops when it was shelled from a grenade launcher. Seven passengers got splinter wounds of various severity. A senior nurse, warrent officer Nina Liv, died in the hospital after amputation of both legs.

According to Chechulin, senior officials of Tajikistan's power ministries and President Emomali Rakhmanov assured the border troop command that the best forces would be recruited in manhunt for terrorists. However, Chechulin voiced doubt that the investigation would be successful. Nine Russian servicemen became victims of terror in the past year. In no case were criminal detected, the commander said.

"What is that—inability or unwillingness to carry out investigation?" Chechulin pondered. The commander stressed that he had to introduce drastic measures for armed protection of Russian servicemen and their families.

However, Chechulin continued, the border forces, who are committed to their responsibility of guarding the CIS' southern rim, are rightful in expecting Tajik power authorities to attend to their security and do something to counter the stabs in the back of the troops.

As for versions of who might be behind the crime, Chechulin said only investigation could give answers. However, he did not rule out a possibility that the action was commited by a so-called underground group. There are several such groups in Dushanbe, Chechulin said.

President's Statement on Parliamentary Elections

LD2302173495 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 23 Feb 95

["TABAROV" statement by President Emomali Rakhmanov; place and date not given—read by announcer]

[FBIS Translated Text] Dear compatriots, We are on the eve of a historical event. The elections to the Supreme Assembly and local assemblies of the people's deputies, will take place on 26 February. This will complete one of the most important stages of the political reform and the formation of the new structures of the Tajik state, which is stipulated in the Constitution of our republic.

Every of us is responsible that this important political campaign is held in an organized, democratic, and free manner. The elections will take place in a completely new historic situation. For the first time, the people of Tajikistan, under the conditions of independence of their country, will set up the Supreme Assembly, the supreme legislative body. Its primary task will be the adoption of laws which consolidate the foundations of the law-based state, which will become the factor for the economic, social, and political development of our society, and which will contribute to leading Tajikistan to progress.

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During the past two-to-three years our country has taken firm steps towards the construction of a new, independent, and democratic state. During this time, Tajikistan adopted its banner, national emblem, and anthem. During this time the pillars of our state, the national army and border troops, were established. Tajikistan has become a member of many international influential organizations, and has established political, economic, and cultural relations with most of the developed countries of the world.

Within the CIS, our Tajikistan has become the second country after Russia, which adopted its constitution through nationwide referendum. Therefore, we have the right with total confidence to announce to the whole world that the legal basis for the democratic and civilized factors for the establishment of the national and local representative bodies have been created in our republic.

All the conditions have been created in our republic for the free and successful holding of the destiny-making campaign. The elections for the first time will be held on the basis of a multiparty pluralism and really democratic freedom. We (?intend) to construct a democratic, law-based, and secular state. The elections to the Supreme Assembly and local assemblies will be the next step in the implementation of these our aims.

As the president of the country, I guarantee the strict observance of the laws and freedom of the will of the citizens.

Dear compatriots, on the eve of these important political activities, I would like to draw your attention to the bitter history of our nation in recent years. You were witness that the people have been divided into squares [demonstrations in two squares of Dushanbe], regions, and groupings, as a result of the low standards of political culture, the irresponsible attitude towards the destiny of our state, and ambitions of some people's deputies, who have placed their personal and group interests above the public interests. And you well remember that most of these deputies won their seats through unreasonable and groundless promises, by manipulating the economic difficulties of the people, in a the one-party state, and through other unworthy activities.

I am confident that this bitter past is unforgettable and I hope that the voters will not allow these mistakes be repeated.

During the pre-election campaign you could thoroughly examine your candidates and familiarize yourselves with their activities and programs. Undoubtedly most of the candidates are worthy people. However, it is no secret that there are some candidates who are trying to become deputies only to show off. They have ill intentions and aim to draw the republic into the chaos once again.

When you receive a ballot paper, do not forget that you are voting for the future of the country and Tajik state, for lasting peace and tranquillity, and for the bright future of Tajikistan and for the enhancement of its status in the world. The competence and ability of the Supreme assembly and local assemblies will depend on your elections.

I believe in the wisdom of my people, and I am confident that all of you will take an active part in this important campaign and will vote for the best people on 26 February.

Election Official Says OSCE Poorly Informed

LD2302144195 Dushanbe KHOVAR in Russian 1110 GMT 23 Feb 95

[Unattributed report: "Tajikistan Ready for Elections"]

[FBIS Translated Text] On 23 February the chairman of Central Election Commission of Tajikistan on elections and referendums, Kholmurod Sharipov, arranged a news conference for local and foreign journalists in Dushanbe. It was called on the initiative of the information department of the republic's Foreign Ministry because of the high level of interest being shown in the forthcoming political campaign in the countries of the near and far abroad.

Representatives of the major world news service BBC Radio, Voice of America, REUTER news agency (Britain), the famous French newspaper LIBERATION, and the IRNA news agency and other media organizations took part in the press conference.

Kholmurod Sharipov gave exhaustive answers to the many questions which journalists asked, and they were satisfied with them. For example, there was a question about how democratic the elections will be. The answer was that elections are to be held on a multi-party basis for the first time in Tajikistan.

The four registered political parties have nominated candidates. Twenty candidates are standing for the Communist Party, and 10 from the people's party. It should be added that the law on elections in the republic was adopted on the basis of the constitution of Tajikistan, which ws approved in a nationwide referendum.

There was another question about why the Organization for Security and Cooperation in Europe is criticizing the election campaign process in Tajikistan and the date of the election. Kholmurod Sharipov gave the following answer: this may possibly be explained by the fact that this authoritative organization is receiving one-sided information and is insufficiently informed about the true sociopolitical situation in Tajikistan.

One foreign journalist asked whether there had been any problems with the preparations for the elections. There have been a great many problems, came the answer. Kholmurod Sharipov noted with satisfaction that it had been possible to provide effective solutions to many of

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the difficulties which had arisen. This applies, for example, to the issue of material back-up for the election campaign.

The news conference showed that all in all Tajikistan is ready to hold the elections to parliament and the local representative authorities.

Uzbekistan

Karimov Opens First Supreme Assembly Session

LD2302223095 Tashkent Radio Tashkent Network in Uzbek 1000 GMT 23 Feb 95

[FBIS Translated Excerpt] Today the first session of the Supreme Assembly of the Republic of Uzbekistan in its first convocation began its work in Tashkent. Now here is a report from our special correspondent Mukhtorbek Murodov.

[Murodov] Qudratulla Ahmedov, the chairman of the Central Electoral Commission took the floor and started the session. [passage omitted]

After that the floor was given to Uzbek President Islam Karimov. He congratulated the deputies and made a speech. Inter alia, he said.

[Begin Karimov recording] The deputies to the Supreme Assembly were chosen from candidates nominated by different political parties and movements on a competitive basis. By participating in the elections, the citizens of our country elected candidates taking into account not their social background but, on the contrary, their industrious and moral qualities, and paid a great deal of attention to the most important thing, the content of their programs.

In my view, describing the Supreme Assembly as a professional parliament is not correct. This understanding comes from countries with a parliament where deputies during the term of office do nothing except their functions as deputies during their terms of office. For them this is a civil service post lasting for a certain period.

I think that the Supreme Assembly must be formed on a slightly different basis. For some deputies it is natural that they should work in parliament on a permanent basis. Of course we will elect committees, their heads, and their members. Deputies elected to these committees should certainly remember one thing: They will be working in these committees on a permanent basis. A proportion of the deputies must be ready to work on a permanent basis, I think, and the rest should combine their previous work with parliamentary work.

What do we mean by proposing this? As we know, among the deputies there are prominent scientists, major organizers of the production process, and experienced leaders of industries and managing bodies. It is very important for our national economy to have these deputies at their specific areas of the national economy and for them to continue their activities.

By going along this path the Supreme Assembly will have direct links with real life, with the public's wishes and hopes, and with the people. This, in turn, will be a great influence in creating the necessary laws for our everyday life and for the national economy.

A close and continuous connection between deputies and the electorate must be an important factor in the activities of the Supreme Assembly. It would even make sense to arrange meetings with the electorate during discussions of particular draft laws.

One more important issue. As a result of our independent foreign policy, the Uzbek Parliament has become a member of a number of authoritative international organizations. In particular, in September 1992 the Uzbek Parliament became the 192d member of a major and authoritative international organization, the Interparliamentary Union. In January 1993, the Uzbek Parliament became a member of the parliamentary assembly of the Organization on Security and Cooperation in Europe. Membership of this organization gives the Supreme Assembly opportunities to cooperate with parliaments in the leading countries of Europe and to study and adopt the rich experience accumulated around the world in the field of law. As a member of such authoritative organizations, the Uzbek Parliament should take every opportunity to spread truthful information about our country's domestic and foreign policies.

We believe that the new Supreme Assembly will use every opportunity to be an important factor in forming the policy of the Republic of Uzbekistan as well as world international policy. [end recording]

[Murodov] During his speech President Karimov also spoke about the current social, economic, and political situation in our republic; about the market relations that are currently taking shape, the financial situation, the economic relations that have been established with world organizations, and the tasks yet to come.

The president's speech aroused lively interest among listeners. [passage omitted]

Referendum on Extending Karimov's Presidency Set

LD2402111695

[FBIS Editorial Report] Tashkent Radio Mashal in Uzbek at 1000 GMT on 24 February broadcasts a brief report on the second day of the Uzbek Supreme Assembly's first session. The report notes that the Supreme Assembly voted to hold a referendum on extending the term of office of the current Uzbek president, Islam Karimov. The report adds that the proposal to hold a referendum on extending the president's term of office from 1997 until the year 2000 was proposed by Supreme

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Assembly Chairman Erkin Khalilov, who was elected to that post yesterday. The referendum will be held on 26 March.

Relative Success of Economic Reforms Noted

954F1458A Moscow RABOCHAYA TRIBUNA in Russian 18 Feb 95 p 2

[Article by RABOCHAYA TRIBUNA correspondent Rustem Tell: "Not Setting Hopes on an 'Older Brother,' They Are Living on Their Own Salary; Islam Karimov's Economic Program Produces Results"]

[FBIS Translated Text] Tashkent—**The dollar is increasing in price in Moscow, but it is falling in Uzbekistan, and noticeably. What happened? I was asked by Italian specialists acquaintances, who are opening yet another joint enterprise in Tashkent. Perhaps the market is knocking on the door, I answered them, not being an expert in macroeconomics.**

But changes for the better are noticeable even to the man in the street. The counters are full of foodstuffs and other commodities and products that were in short supply yesterday. This stage was passed earlier in Russia, but in contrast to the "shock therapy" that filled its stores and stalls with an abundance of inferior-quality Western sausage and pineapple, everything here is their own.

It was not easy to achieve this. Booted out of the ruble zone, the former USSR republics did not immediately recover from the Russian kick. It is not easy for some to this day. Uzbekistan, it appears, did not just recover from the monetary chaos, but in a short time constructed its own efficient credit-monetary system, and made the national currency—the sum—the desired method of payment.

In contrast to some other former republics of the USSR, Uzbekistan did not lose the main thing—management of the economy, which in turn is based on a stable political situation and national harmony. Therefore, its losses from the breakup of a unified economic space on a sixth part of the land and from the burdens of reformation are an order of magnitude lower than its CIS colleagues. The volume of GDP last year in comparison with the previous year was reduced here by only 3.5 percent (in Russia, for comparison—it was by 16 percent, and in Kazakhstan—by 25.4 percent), and the reduction in industrial production in comparison with 1991, which was prosperous for all the republics, amounted to only 2 percent (44 percent in Russia and 48 percent in Kazakhstan). Such comparisons are applicable in other aspects as well.

After weighing all the "pro's" and "con's," the IMF granted Uzbekistan the first favorable credit in the amount of about $74 million. This means that it declared the reforms implemented by the government successful. However, Daniel Kaiser, the executive director of IMF, also does not hide the fact that he considers the economic situation in Uzbekistan to be much better than that in the other former republics of the USSR, and that the chances for success are much higher. The aforementioned is confirmed not only by IMF credits, whose volume is supposed to be doubled, but also by energetic efforts to attract country donors for investment and other support of Uzbekistan.

Some of the measures in the context of reforms are simply amazing in their outcome and short period of existence. For example, literally within a year or two, purchases of oil from Russia were reduced from 4.5 million to 750,000 tonnes—by a factor of six! The development of its own gas production made it possible to save $320 million, which was previously expended on import deliveries. Grain imports were reduced for the year by half and, starting next year, the government plans to announce fuel, energy, and grain independence. This is against the background of a general economic crisis that has struck the territory of the CIS!

Did the newly found reformers of the ex-USSR hurry to demolish the planning principle in the economy? Reforms are taking place very gradually in Uzbekistan, but according to an efficient plan, whose main developer and inspirer was President Islam Karimov. He himself establishes the stability and predictability of government policy. It is to this inviting little light that foreign investors are swarming, beginning with such pillars of Western and Asiatic markets as Mercedes Benz, Tissen, Mitsubishi, Deu, and Swiss banking bosses. Uzbekistan is not left out by such giants of native industry as ZIL [Moscow Motor Vehicle Plant Imeni Likhachev] KAMAZ [Kama Motor Vehicle Plant], and Riga's Dzintars...

The list is long, but it has to be introduced with words that explain their general interest: the reliability and responsibility of their partner. Amir Timur, whom we knew in Soviet history books as Tamerlane, the terrible, lame conqueror of Asia, whom today Uzbekistan honors as a great ancestor and uniter of nations, in a difficult campaign was left without a treasury. When the soldiers began to grumble, the commander ordered that his own seal be put on the bones left over after dinner: They will be money, and the treasury will be replenished—exchange them for gold. He kept his word.

Centuries have passed, but the current business acumen of Uzbekistan springs from those times. I would be lying if I said that life is easy for the people. It is difficult for them to live, but a light has already begun to gleam ahead. Such a guarantee was given to the people earlier. And it is being implemented.

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Armenia

Party Leadership Meets Russian State Duma Deputies

NC2302192195 Yerevan NOYAN TAPAN in English 1306 GMT 23 Feb 95

[FBIS Transcribed Text] 23/02/95 NOYAN TAPAN—On February 22 the Leader of the Armenian Ramkavar [Democratic] Party Ruben Mirzakhanyan, his deputy Karen Kostandyan and other party officials met with the deputies of the Russian State Duma Pavel Burdakov (Agrarian Party), Vitaly Zhuravlev (Liberal-Democratic Party) and Mikhail Gnezdelov ("New Regional Policy" deputy group).

The participants discussed issues of mutual concern. Russian deputies are visiting Armenia on invitation of the ARF [Armenian Revolutionary Federation]-Dashnaktsutyun deputy faction.

Parliament Debates Upcoming Elections

954F1448A Yerevan VREMYA in Russian 15 Feb 95 p 1

[Article by Artem Yerkanyan: "Parliament. There Will Be Elections. But Law?"]

[FBIS Translated Text] The opening of the 10th session of the Supreme Council took place in fairly calm circumstances, which is typical of the last session of parliament as it proceeded without opposition deputies. That morning the Deputy Assembly adopted a decision to permit its members to participate in the work of the legislative organ only during the discussion of the Law on Elections. The leaders of the communist factions, which also declared a boycott of the Supreme Council at the end of last year, turned out to be more liberal, and at the first meeting of the session the communist deputies along with the Ramkavar members of parliament diluted the general mass of AOD [Armenian National Movement] members seated in the hall. Incidentally, members of the radical opposition also appeared toward the end of the meeting either to make the statement of the Deputy Assembly public or to congratulate David Vardanyan on his 45th birthday.

The main task is to schedule the day of the elections to the National Assembly. The Presidium of the Supreme Council, having considered the proposals on the floor, decided on 28 June. That day, in the words of Eduard Yegoryan who insisted on this date, is optimal in all respects. The makeup of the Central Election Commission for organizing the elections must be determined no later than 100-110 days before the elections themselves. The law on elections must be adopted at least three months in advance. At the same time it is necessary to give the election commission several weeks to consider appeals pertaining to the legality of the voting and the counting of the votes and also to organize the second round of elections in those districts where this is required. The commission must complete the work and confirm the authority of the elected individuals before 21 July—the day of the expiration of the term of office of the Supreme Council of the first convocation, which up until that day will continue to perform the functions of an organ of legislative power.

There were no special objections regarding the date of the elections. Even considering the doubts of certain members of parliament about the expediency of setting the date for the elections when it is not clear whether the Supreme Council will be able to adopt the Law on Elections at all. Speaker Babken Ararktsyan did not try to hide such misgivings when giving his speech. He stated that in this case there would be nothing left to do but hold the elections under the old law.

[Two words illegible] members of the opposition to discuss the Law on Elections, it seems, cannot be used by the leaders of the ruling party as a cause for doubts about the fact that the elections will proceed according to their scenario. If only because even in the worst case—if they do not manage to adopt the new law at all—the provisions of the old one suit the current authorities much more than their opponents.

National Accord Union Looks to Elections

954F1448B Yerevan VREMYA in Russian 15 Feb 95 p 2

[Interview with Grayr Karapetyan, member of the Central Committee of the ARFD, by Ashot Garegipyan; place and date not given: "Exclusive. 'Rumors of My Arrest Are Greatly Exaggerated'"]

[FBIS Translated Text] *The situation that has now developed is nonstandard and far from the ordinary everyday metaphysics—after the termination of the activity of the Dashnaktsutyun party in Armenia, leaders of local RFD structures did not disappear. They are not huddled in the corners, they not only attend rallies organized by the opposition, but also actively demonstrate at them. In general, on the one hand, there should be none of them, and on the other—here they are, acting, although unofficially. Grayr Karapetyan, a member of the Central Committee of the ARFD [Armenian Revolutionary Federation Dashnaktsutyun], comments on the situation.*

[Karapetyan] At the present time the National Accord Union, to which we belong as we did before, is devoting serious attention to the upcoming elections. The Union is expressing its readiness to participate in joint development of the law on elections. And we are convinced that the principle of proportionality should not be fixed in the law. We are also prepared to work on the creation of mechanisms for effective monitoring of the course of the elections. Proposals regarding these questions are formulated by the Deputy Assembly which, as you know, includes representatives of parliamentary factions from the opposition parties. Moreover, the National Accord Union is striving to make its contribution to the

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strengthening of law and order, which is certainly not at the proper level in Armenia, even within today's tight framework. The Republic Procuracy, the Supreme Court, and the Ministry of Justice of the Republic of Armenia have been presented with numerous cases of violation of law and order. As for the socioeconomic sphere, here, unfortunately, we have no real levers of influence and therefore we are restricting ourselves to statements and the presentation of our suggestions and views. At the same time the opposition is developing the foundations of a socioeconomic policy. I would like to remind you that in its day the RFD presented such a program and some of its provisions are being used now. It should be noted that as the socioeconomic situation in Armenia changes, our program is constantly being updated.

[Garegipyan] How likely is it that there will be a dialogue between those in power and the opposition, particularly Dashnaktsutyun?

[Karapetyan] We are not ruling out that possibility. But the readiness for such a dialogue must be shown by those in power first, and not in a merely formal way but realistically. The experience of previous contacts with the leaders shows that they do not play by the rules. But if those in power display a readiness for dialogue and we feel that with their position they are not pursuing hidden political interests, we ourselves will enter the dialogue and we will encourage it in all ways.

[Garegipyan] Does there continue to be pressure on RFD structures and party members?

[Karapetyan] I can say that after the rally before the last one I was called into the GUNB [Main National Security Administration] several times.

[Garegipyan] Incidentally, in those days there was a report in the press about your arrest...

[Karapetyan] It was greatly exaggerated. They simply brought me in for questioning as a witness. True, I cannot quite understand why since I had already given exhaustive answers to those same questions right after the president's edict of 28 December.

[Garegipyan] And what next?

[Karapetyan] As long as Armenia does not have democracy and the authorities try to settle scores with their political opponents—especially active ones—by the same methods, such a situation will apparently continue. But sooner or later we must put an end to all this. The authorities must finally show common sense, since their steps are not only inflaming the domestic political situation but are also discrediting Armenia as a state in the international arena.

Georgia

Abkhazian Minister Thanks Russian Peacekeeping Forces

LD2302134895 Moscow Mayak Radio Network in Russian 1200 GMT 23 Feb 95

[FBIS Translated Text] Abkhazia is deeply grateful to the Russian servicemen who, at a difficult time for the republic, are responsible for the peace mission, Nuri Disedrava, the Abkhazian deputy prime minister, said today at a Sukhumi meeting with Russian servicemen who are part of the peacekeeping forces.

Representatives of the republican leadership, together with activists of the Abkhazian Mothers' Union, today visited the headquarters of the peacekeeping forces in Abkhazia and a border detachment on the occasion of Fatherland Defenders' Day.

Crimean Leaders Demand Meeting on Fuel Crisis

LD2302172495 Kiev UNIAN in Ukrainian 1435 GMT 23 Feb 95

[FBIS Translated Text] Simferopol—An appeal from town council leaders of the largest towns in the Republic of Crimea, demanding an immediate meeting with Leonid Kuchma, was sent to the Ukrainian president's administration on 22 February. UNIAN was informed of this by Serhiy Kunitsin, the chairman of the Krasnoperekopsk Town Council. Kunitsin said that during the meeting it will be necessary to resolve urgent problems connected with the towns' preparations for existing in tough conditions brought on by the absence of fuel and energy resources and electricity, and to discuss the issue of the definitive division of the property of sanatoriums, health resorts, and the best structures along the southern Crimean coast.

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Estonia

Defense Minister Meets UN's Akashi in Zagreb

LD2302162395 Tallinn Estonian Television Network in Estonian 1900 GMT 22 Feb 95

[FBIS Translated Text] The UN Security Council will discuss on 27 February the dangerous situation that would arise in Croatia if the United Nations were to withdraw its troops, as Croatian President Franjo Tudjman demands, Yasushi Akashi, the special representative of the UN secretary general in the former Yugoslavia, told Estonian Defense Minister Enn Tupp in Zagreb today [22 February].

The issue concerns Estonia most directly because Estonian peacekeeping group (?Estbla 1) is carrying out peacekeeping duties in Croatia under the UN mandate. The men have observed increased activities of troops on both sides of the buffer zone—both on the Croatian and Serbian sides. Yasushi Akashi today told Enn Tupp that he was against withdrawal of UN troops from Croatia. Akashi and Tupp met at midday today at the general staff of the UN peacekeeping forces in Zagreb.

General Bertrand de Lapresle, the new commander of the UN peacekeeping forces in the former Yugoslavia, also received the Estonian defense minister. According to Tupp, the general was pleased that the Estonian peacekeeping group had been trained in Denmark and in Nordic countries, because their peacekeepers are renowned for their professionalism. Today in Zagreb, Enn Tupp met UN representatives together with Danish Defense Minister Hans Haekkerup.

Tarand Addresses Parliament Session

WS2402104895 Tallinn BNS in English 1513 GMT 23 Feb 95

[FBIS Transcribed Text] Tallinn, Feb 23, BNS—Events in Chechnya have interfered with finding a solution to the Estonian-Russian border problem, Prime Minister Andres Tarand said Thursday [23 February] in his speech at the last session of the Estonian parliament.

Tarand said he believed the new government had "good opportunities to untangle the knot preventing developments in both the Eastern and the Western direction, which the unresolved Estonian-Russian border issue in fact represents."

As to foreign political successes of his government, Tarand pointed out negotiations with Latvia and Lithuania over the Via Baltica highway link project and the free trade agreement with Ukraine.

The prime minister stated that the Estonian police has started to work more effectively. "With regard to curbing crime, this is just a couple of steps along the way, but in the right direction," he said.

Tarand said the government reserve fund had been used mainly to promote culture and education. In his words, the Cabinet had allocated for those two spheres 16 million kroons or one third of the reserves. He pointed out, however, that the development of culture and education was a process that took longer than the four months his Cabinet had been in power.

The prime minister noted that a public opinion poll conducted by the EMOR polling agency in December for the first time showed a positive attitude toward the government and the parliament.

"According to the Market Research Institute, the people began to show in December also more confidence in the outlooks of the Estonian economy and future," Tarand said. "I wouldn't attribute this solely to the caretaker government, but only insofar as it carried on the main line of reforms."

The prime minister thanked the parliament for its work over the last two and a half years. During that time, the legislature adopted 426 laws and 100 decrees, statements, and declarations.

"Even if we don't subtract days off, which many of you probably haven't had, this still means one document every two days," the premier noted. Although some of the documents adopted may have been imperfect, Tarand said, the amount of work accomplished by the parliament was still remarkable at least as far as the Eurasian continent was concerned.

Latvia

Gailis Views Relations With Russia, EU, U.S.

MS2302132695 London THE EUROPEAN in English 24 Feb - 2 Mar 95 p 9

[Report on interview with Prime Minister Maris Gailis by Ian Mather; place and date not given]

[FBIS Transcribed Text] Riga—It was a decision taken thousands of kilometres away, by the newly Republican-dominated U.S. House of Representatives Appropriations Committee, but the man it upset most was the prime minister of Latvia, Maris Gailis.

In his view, the decision to scrap a $110 million package promised by President Clinton to pay for housing Russian troops leaving the Baltic states puts in jeopardy his country's new relationship with the great power to the east. "We want as good a relationship with Russia as possible," Gailis stressed. "But we also want to be protected and safe, and that means being in the European Union. We would like to be a gateway between East and West."

He argues that the 2,000 retired officers who stayed behind when the last Russian soldiers left last August remained illegally and should leave. "They are here only

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because of difficulties with housing," he said. "We are trying to find out who they all are. We have asked them to register.

"The final date was 15 February, but only about 600 of them had registered. We have now given them until the end of March and hope that they will register by then. If they do not they will be expelled."

The 2,000 are those who arrived after Latvian independence in January 1992. Russians who were already in the country have the right to apply for citizenship.

"The Russian foreign ministry is preparing a timetable based upon availability of housing for them in Russia. We will decide with Russia on a deadline and, in accordance with the timetable, we will give them temporary residence permits."

The Latvians are determined to try to overturn the House of Representatives' decision, which still needs full House and Senate approval. The U.S. volte face has raised fears that Russia may now renege on its promise to dismantle the Skrunda anti-missile radar site in Latvia, which is still run by 600 Russians.

Maris Gailis, 43, and the dominant centre-right Latvian Way party are under pressure from right-wing parties to take a tougher line, with continuing tension between native Latvians and ethnic Russians.

But Gailis said: "The withdrawal of the Russian army was a very good basis for improved relations. A number of agreements were later signed. An economic treaty gave as most-favoured-nation status with Russia, which is still our biggest trading partner. We have signed an agreement on border crossings so that people who live near the border, as well as our non-citizens, may cross more easily. We have also signed a transit agreement to improve the flow of goods to and from Russia through our ports."

Gailis said that Latvia's membership of the Council of Europe, agreed in early February, was an important milestone. "Without membership of the Council, we could not think about the next steps in our integration into Europe. Now we hope to sign an association agreement with the European Union in March and, at the end of the century, we hope to have accomplished the transition to full membership of the EU.

"The delay is rather good for us because we will use the time to promote human rights and improve our legislation. If you achieve something through sweat, it is healthy." Latvia gained acceptance by the Council of Europe despite the fact that its citizenship laws still discriminate against its Russian-speaking residents.

However, it must ratify the European Convention on Human Rights within two years, which will mean that its laws will become subject to the international court.

Under pressure from western Europe the Saeima (Latvian parliament) passed an amended citizenship law scrapping a system under which only 2,000 non-ethnic Latvians a year would be allowed to take citizenship.

"Instead, we have adopted a law on citizenship and genuine naturalisation which makes it clear to all the population of the republic when, in what order, and on what terms they can become citizens of Latvia," he said.

The programme was launched on 1 February. Would-be citizens must establish that they can speak Latvian, understand the constitution and know the national anthem.

"We are working on a language programme with the United Nations. Sweden is sending linguistic experts, and other European countries have promised to help us. We will create a programme with special books and teachers.

"The integration of non-Latvians into Latvian society is very important for stability and growth in our country," he said. "Many Russian speaking people may prefer to stay here despite Russian claims of violence against non-citizens. We have stability and a better standard of living." Gailis admitted that the size of the Russian speaking minority, combined with Latvia's liberal border policy had led to the country being flooded with "dirty money" from Russia.

"Our aim is to create sound banking," he said. "We want Latvia to be attractive. We have a very liberal banking system, which means that some money that is not so 'clean' does come this way. We are considering introducing special regulations. But the quantity of money and of goods from Russia, which sells its oil products through Latvia, is huge."

But now it seems that the US Congress has resurrected a problem that looked as though it had been solved. "Retired Russian officers are above all a Russian problem," said the prime minister. The Russian government ratified the agreement to take them back and they should fulfil it. Russia is a rich country. They must solve their own problems. We can understand their difficulties, but we will push them to honour all the obligations."

Saeima Deputy Arrested in Washington Scandal

MM2302161395 Moscow IZVESTIYA in Russian 22 Feb 95 p 3

[Report by Irina Litvinova: "Now Riga Has Its Own 'Watergate'"]

[FBIS Translated Text] Riga—The police have arrested Zigurds Tommins, comrade secretary of the Latvian Saeima, in Washington's prestigious Hotel Watergate, which gave its name to the larrgest scandal in U.S. history. The deputy has been banned from leaving the United States prior to the completion of the investigation into the charges against him.

In Latvia "comrade" secretary does not designate friendly relations but the post. This is the first time of

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late that such a high-ranking official—the parliamentary vice secretary (to describe Tommins' post in a more comprehensible manner)—has been arrested in a foreign state. The incident took place at around 0430 hours. At first both the Foreign Ministry and the Saeima hushed up the incident. Foreign Minister Valdis Birkavs cited the "vagueness of the report" while the Latvian Embassy in the United States refused to comment to REUTER on what had happened, saying that this was a "private matter." Journalists had to independently reconstruct what had happened at the Watergate.

A woman has impugned the Latvian deputy's reputation. The duty officer at the police precinct where the Watergate is situated said that Zigurds Tommins was arrested after a complaint was received against him by one Michelle Basil. The police described her as a "working woman." The charges brought by the U.S. woman says that a stream of paralyzing gas was directed at her face and her hair was pulled several times. The complainant, the charge says, declares that the suspect invited her to go with him and when she wanted to leave the building, he became aggressive and hurt her.

Zigurds Tommins was released from the police precinct within a day. His lawyer says that the case may be examined 25 February. At the moment the Latvian Embassy is covering the legal costs ($5,000). Zigurds Tommins presented a different version of events during a telephone conversation, portraying himself as a victim of "provocation."

The deputy's wife has publicly accused the "Latvian Path" ruling faction of trying to discredit her husband. (Tommins represents the opposition "Peasant Union" faction). Inese Tominya [name as transliterated] said that the Latvian Foreign Ministry misled the U.S. organs of power, claiming that her husband is in the United States on private travel: Tommins' tour of duty as a Saeima deputy was officially approved.

Lithuania

Brazauskas, EU Commissioner Discuss Vilnius Membership

LD2302232695 Vilnius Radio Vilnius Network in Lithuanian 1700 GMT 23 Feb 95

[FBIS Translated Text] Hans van den Broek, member of the European Union Commission, who is currently on an official visit to Lithuania, was received today by Lithuanian President Algirdas Brazauskas.

The progress of negotiations between the Republic of Lithuania and the European Union on Lithuania's associate membership in the EU was discussed. Some other issues of international policy were also touched upon.

Algirdas Brazauskas stressed that Lithuania had made a firm decision to integrate into the European family of democratic and stable states. In this respect we are no longer looking for our place in the world, we have already found it, he said.

However, we understand, Algirdas Brazauskas said, that the path toward this goal is not easy and that we will have to reach the goal in stages. We know that we will have to restructure the economic and public life of Lithuania to match high European standards. And what is most important, the president pointed out, we ourselves will have to change. We will have to do away with our national parochialism and mistrustfulness, which we inherited from the past, to absorb the ideas of a unified Europe that have been fostered and implemented in the West for several decades already.

Nevertheless, I do not doubt that this is the only path that has good prospects and is acceptable to Lithuania, Algirdas Brazauskas said.

He also called to mind that the strategy of the Baltic and Visegrad states drawing closer to one another was being worked out. We also believe that regional cooperation between the Baltic states is important, Algirdas Brazauskas said.

While being aware that not all the European countries will wish or will be able to become members of the European Union, we are against isolation of any country on our continent, he said.

The signing of the European treaty, Algirdas Brazauskas stressed, would be an open recongition that Lithuania was becoming a potential member of the European Union.

Hans van den Broek said that Lithuania was drawing closer to the European Union and this process, according to the visitor, was also promoted by Lithuania's active participation in regional cooperation.

The member of the European Commission said he would examine carefully the Lithuanian president's annual report. He said that he had drawn a conclusion that Lithuania has been aspiring and will continue to aspire to maintain good relations with the neighboring countries. He supported this.

The European Union supports Lithuania's aspiration to maintain good relations with Russia, Hans van den Broek said. At the same time he stressed that the events in Chechnya had provoked a reaction in Brussels, although the European Union, as before, continues to be interested in the continuation of reforms in Russia.

Hans van den Broek thinks that the European treaty with Lithuania could be signed already in the first half of the current year. He said that a decision had already been adopted in principle in Brussels to open the Embassy of the European Union in Vilnius.

The guest met Prime Minister Adolfas Slezevicius today.

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Envoy on Policy Required To Join NATO

LD2302151995 Vilnius Radio Vilnius Network in Lithuanian 1300 GMT 23 feb 95

[FBIS Translated Text] Adolfas Venckus, Lithuanian ambassador at the European Union and former ambassador at NATO, in an interview with the newspaper LIETUVOS AIDAS, said that integration in Europe and NATO depended on Lithuania alone.

He arrived in Lithuania on the eve of the visit by European Union Commission member Hans van den Broek, whom he is accompanying during the visit.

According to Venckus, who had a prolonged dicsussion with [NATO General Secretary] Willy Claes at the beginning of February, the NATO leaders would like to see a political transparency in Lithuania's foreign policy concerning its really wishing to become a NATO member. Estonia and Latvia have problems with a large number of national minorities; Estonia has territorial problems; Latvia has Skrunda [radar station]: A great problem in Lithuania concerns military transit to Kaliningrad. Ambassador Venckus said that NATO would never accept a foreign army being able to move freely in one of the countries of this organization. While this problem exists, Lithuania cannot have much hope of becoming a NATO member, ambassador Adolfas Venckus noted.

Slevicius on Amending Transit Treaty With Russia

LD2402094595

[FBIS Editorial Report] Vilnius Radio Vilnius Network in Russian at 1300 GMT on 23 February broadcasts a 10-minute interview with Lithuanian Prime Minister Adolfas Slezevicius.

The announcer says that Slevicius will meet his Russian counterpart Viktor Chernomyrdin on 24 February in the Kremlin in Moscow. This will be a return working meeting and it will last one day. The announcer says that as part of the preparations for his visit, Adolfas Slezevicius met with correspondents from Russian newspapers, radio, and television. At a news conference for Lithuanian correspondents, issues to be discussed in Moscow were the main topic. The prime minister also gave an interview to Lithuanian radio.

The Lithuanian radio correspondent asks Slevicius what he sees as the most important events since his last meeting with Chernomyrdin a year ago. Slezevicius says:

"Undoubtedly, the most important problem which was been under discussion for a considerable period of time, and for which it was not so easy to find a mutually beneficial solution, was the issue of military transit from Kaliningrad region via the Lithuanian territory. Nevertheless, we found a way for the solution of this problem acceptable to both sides. Indeed, there has been much political speculation around this issue, and this is understandable.

"However, we have to face reality: Kaliningrad belongs to Russia, it is a part of Russia, and Lithuania, being placed in between the two parts of Russia has to find a solution to this problem.

"I would also say that the implementation of the treaty on the most favored nation status was an important decision. This treaty came into force on 18 January this year. Of course it is a shame that the process of ratification took more than a year; nevertheless this agreement will have a very positive effect on the volume and efficiency of trade with Russia."

Asked whether there will be any amendment to the military transit agreement in the future, Slevicius says:

"Of course, nothing can be forever. Undoubtedly, this particular question will also be continuously discussed, and this has been agreed with Russia."

"We also left room for adjusting some questions which may occur during the implementation of this treaty, or rather an agreement, to be more precise. I think some corrections may be introduced."

The correspondent then asks Prime Minister Slezevicius about the issues which will be tackled during his meeting with Chernomyrdin. Slevicius replies:

"Mostly, issues pertaining to the economy will be discussed. This includes our intention to set up a joint commission which could prepare suggestions necessary to stir up economic relations, then there is also a treaty in the sphere of river navigation, and a treaty on the state border demarcation, which is probably more of a political nature. Then there are questions of a visa regime, prices for consular services, the buildings of our embassies in Paris and Rome, the status of our embassy in Moscow, and the status of the Russian Embassy in Vilnius, as well as other questions which are interesting for both sides.

"Of course, the issue of the deposits in the Vnesheknombank, which have been frozen and which are of great importance to the inhabitants of Lithuania, will be raised."

"Apart form that, we plan to discuss questions of deposits in Sberbank, state bonds, our historical archives, and other issues."

Asked to explain how the economic relations could be stirred up, Slevicius says:

"When I speak about intensification, I first and foremost mean the trade regime. Certainly, when there was double taxation, our manufacturers were simply unable to conduct normal trade with Russia, and this no doubt had an overall negative impact on the economy. According to the figures presented by Industry and Trade Minister Kazimieras Klimasauskas, our enterprises lost about 500 million litas because of the double taxation. This is certainly a large amount. That is why the trade regime

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and border crossing regime are the issues which could assist in establishing better economic climate for manufacturers of both sides.

"Of course we are not planning to intentionally increase the volume of trade with Russia while reducing trade volume with the West; it is up to the manufacturers to find a solution which suits them. However, we are very much interested in having normal trade and economic relations with Russia, taking into account that Russia represents a huge market."

Political Parties Unite in 'Concord Coalition'

WS2402104995 Vilnius ELTA in English 1931 GMT 23 Feb 95

[From "News Bulletin" No. 700]

[FBIS Transcribed Text] Vilnius, February 23, ELTA—Four Lithuanian political parties—democratic and nationalists parties, Political Prisoners and Deportees Union and Vilnius division of Independence party—formed the new Concord coalition.

According to Sarunas Valentinavicius, member of the coalition staff, the main principles of the Concord are democracy, honesty and fairness.

The idea to form such a coalition emerged three or four months ago. Members of the coalition suggested the Homeland's Union (Lithuanian conservatives) participating in the activities of the Concord.

But later the coalition did not agree with the conditions disputed by the union.

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